



DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE COMPARATIVE TESTING OFFICE

PROCEDURES HANDBOOK

NOVEMBER 2004

**THE DEPUTY UNDER SECRETARY OF DEFENSE
(ADVANCED SYSTEMS AND CONCEPTS)**

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

FOREWORD

The Office of the Secretary of Defense (OSD) Comparative Testing Office (CTO) provides direction to and administers the Foreign Comparative Testing (FCT) Program, the Defense Acquisition Challenge Program (DACP), and other projects as assigned. OSD CTO provides funds for and oversees the test and evaluation of innovative technologies or products that demonstrate potential to benefit Department of Defense (DOD) acquisition programs and increase warfighter capability. This Handbook provides direction, policy and procedures to stakeholders participating in the DACP and FCT Program. Its purpose is to help readers understand how to manage a DACP or FCT project successfully, from initial nomination through eventual procurement.

This Handbook applies to the office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Commands, the Inspector General of the Department of Defense, and the Defense Agencies.

Congressionally authorized in 1989 by Title 10, United States Code, Section 2350a(g), the FCT Program supports U.S. policy of encouraging international armaments cooperation and helps reduce overall Department of Defense acquisition costs by funding the testing of foreign non-developmental items, commercial-off-the-shelf items, or those items in the late state of the development process, which demonstrate the potential to satisfy user requirements.

Similarly, authorized by Title 10, USC, Sec 2359b, the DACP provides opportunities for the increased introduction of innovative and cost-saving technology in DOD acquisition programs. To this end, the DACP provides any person or activity within or outside the DOD an opportunity to submit proposals that would improve the performance, affordability, manufacturability, or operational capability of that acquisition program at the component, subsystem, or system level of an existing DOD acquisition program.

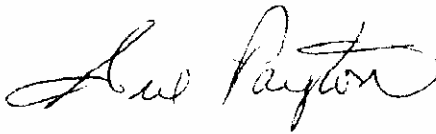
Although both the DACP and FCT Program strive to equip the warfighter with world-class military equipment, legislation strictly limits the FCT Program's funding to the test and evaluation of foreign items only. Both DACP and FCT activities are authorized to begin and operate without formal Joint Requirements Oversight Council (JROC) review and may waive OSD and Department of Test and Evaluation (DOT&E) requirements in the best interest of rapidly fielding equipment to the warfighter.

This Handbook is effective immediately. Its procedures are required to be used by all the DoD Components.

Send recommended changes to the Handbook through channels to:

OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE
(ADVANCED SYSTEMS AND CONCEPTS)
COMPARATIVE TESTING OFFICE
3090 DEFENSE PENTAGON
ROOM 3E144
WASHINGTON DC 20301-3700

The DoD Components may obtain copies of this Handbook by contacting the OSD CTO at the address above.

A handwritten signature in black ink, reading "Sue Payton". The signature is fluid and cursive, with the first name "Sue" and last name "Payton" clearly distinguishable.

Sue Payton
Deputy Undersecretary of Defense
(Advanced Systems and Concepts)
Office of the Secretary of Defense

COMPARATIVE TESTING OFFICE
PROCEDURES HANDBOOK
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REFERENCES

- a. DoD Instruction 5000.2, "Operation of the Defense Acquisition System," May 5, 2003
- b. Title 10, United States Code, Section 2350a(g)
- c. Title 10, United States Code, Section 2359b

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ABBREVIATIONS

A

AMC	Army Materiel Command
APB	Acquisition Program Baseline
AT&L	Acquisition, Technology, and Logistics
AS&C	Advanced Systems and Concepts

C

C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance
CAE	Component Acquisition Executive
CINC	Commander in Chief
CNO	Chief of Naval Operations
CRA	Command Resolution Authority
CTO	Comparative Testing Office

D

DACP	Defense Acquisition Challenge Program
DAO	Defense Attaché Office
DCMA	Defense Contract Management Agency
DCMAI	Defense Contract Management Agency International
DCO	Defense Cooperation Office
DEA	Data Exchange Agreement
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DODD	Department of Defense Directive

F

FCT	Foreign Comparative Testing
FYDP	Future Year Defense Plan

I

IEA	Information Exchange Agreement
IPT	Integrated Product Team
ITOP	International Test Operations Procedures

J

J8	Joint Staff
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M

MAIS	Major Automated Information Systems
MCCDC	U.S. Marine Corps, Combatant Development Command
MDAP	Major Defense Acquisition Program
MNS	Mission Needs Statement
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding

O

O&M	Operations and Maintenance
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ODC Office of Defense Cooperation
ORD Operational Requirements Document
OSD Office of the Secretary of Defense

P

PE Program Element
PEM Program Element Monitor
PEO Program Executive Office
PM Project Manager
POC Point of Contact
POR Program of Record

R

R&D Research and Development
RDECOM Research, Development, Engineering Command (US ARMY)
RDT&E Research, Development, Test, and Evaluation
ROI Return on Investment

S

SAE Service Acquisition Executive
SES Senior Executive Service
SPO Systems Program office
SYSCOM Systems Command

T

T&E Test and Evaluation
TEMP Test and Evaluation Master Plan
TRDP Technical Research and Development Program

U

USSOCOM U.S. Special Operations Command

CHAPTER 1
PURPOSE AND ORGANIZATION OF THE HANDBOOK

C1.1. PURPOSE OF THE HANDBOOK. The purpose of this handbook is to provide a ready reference for both the Foreign Comparative Testing (FCT) Program and the Defense Acquisition Challenge Program (DACP), both managed by the Office of the Secretary of Defense (OSD) Comparative Testing Office (CTO). This handbook explains how to successfully initiate and manage a DACP or FCT project from proposal initiation through project close-out and procurement.

C1.1.1. Organizations involved in the DACP and FCT Program include the Department of Defense (DOD), domestic and foreign government organizations, and industry. Because of this diversity, the handbook addresses a variety of issues associated with the DACP and FCT Program.

C1.2. HANDBOOK FRAMEWORK. The handbook is written to guide a Project Manager (PM) or another submitter from project inception to completion. Chapters and Appendices cover the major actions and personal responsibilities to accomplish a successful DACP or FCT project.

C1.2.1. The table of contents directs the reader to the chapter and section that address particular questions or concerns. Additional or clarifying information may be found on the OSD CTO homepage on the World Wide Web at <http://www.acq.osd.mil/cto/>. For additional questions, the reader should contact the Service CTOs (Army, Navy, Marine Corps, Air Force, or U.S. Special Operations Command), or OSD CTO.

C1.2.2. Chapter 2 discusses both the DACP and FCT Program's intent and provides an overview.

C1.2.3. Chapter 3 describes the CTO proposal process and addresses the issues for industry and government persons contemplating the DACP and FCT Program. This chapter identifies and describes the areas critical to gaining project approval. An understanding of the philosophy presented in this chapter will assist a submitter in properly preparing a proposal.

C1.2.4. Chapter 4 addresses methods and techniques for success in managing an approved DACP or FCT project. It explains OSD expectations in the areas of cost, schedule, and project performance, project testing and evaluation. This chapter should serve to stimulate cost-effective testing and evaluation approaches.

C1.2.5. Chapter 5 focuses on project closeout and follow-on procurement- the ultimate goal of the DACP and FCT Program. Specifically, the FCT Program's goal is to streamline the acquisition process, allowing rapid fielding and deployment of world class items that were successfully tested against requirements. The ultimate goal for DACP is to implement innovative technologies that offer significant improvements in performance, affordability, manufacturability, or operational capability for an existing acquisition program.

C1.2.6. The Appendices contain specialized charts and examples of the required documentation and reports.

C1.3. CONTACT INFORMATION.

Comparative Testing Office

E-mail FCT@osd.mil or DefenseChallenge@osd.mil

Phone (703) 602-3740

DSN 332-3740

Fax (703) 602-3748

Mail can be sent to:

Comparative Testing Office

1851 South Bell Street

Crystal Mall 3, Suite 101

Arlington, VA 22202

Mail/Mail Pouch correspondence can be sent to:

Comparative Testing Office

3090 Defense Pentagon

Room 3E130

Washington, DC 20301-3090

Comparative Testing Office Web Site

Changes to these and other points of contact will be noted on the OSD CTO Homepage.

Information on the DACP and FCT Program, this handbook, and links to other helpful sites are available through the World Wide Web on the OSD CTO Homepage at:

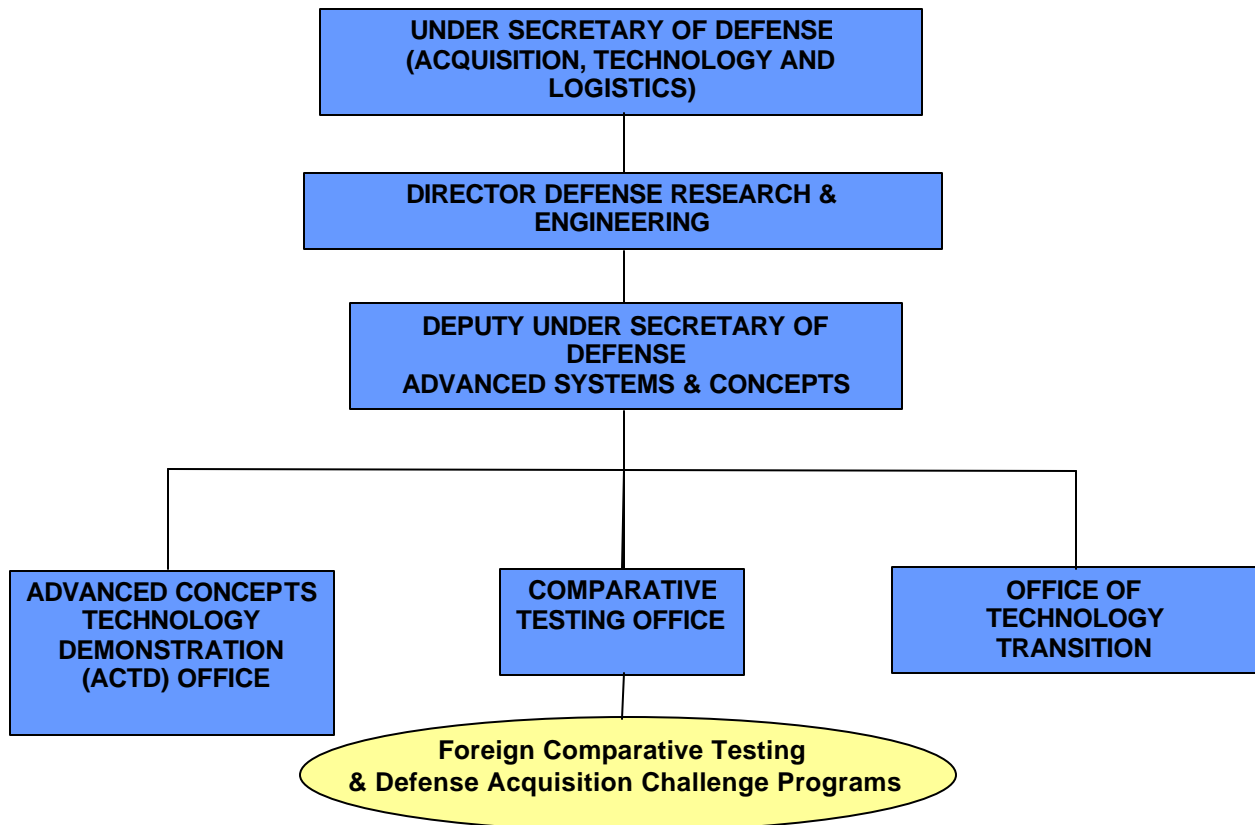
<http://www.acq.osd.mil/cto/>.

CHAPTER 2

CTO PROGRAM OVERVIEWS

C2.1. CTO Program Overviews. The Office of the Secretary of Defense Comparative Testing Office (OSD CTO) is administered under the Department of the Under Secretary of Defense for Advanced Systems and Concepts (DUSD AS&C). OSD CTO has responsibility over both the Defense Acquisition Challenge Program (DACP) and the Foreign Comparative Testing (FCT) Program.

Table C2.T1. CTO Organization



C2.1.1. Each Military Department/Service has one or more offices that manage their respective DACP and FCT Program and report to OSD CTO for programmatic and funding functions. Each CTO is still legally responsible to its chain of command's commanding officer IAW Title 10 for compliance with contracting law. A Military Department/Service is an organization with legislative authority for procurement to introduce new military equipment into the inventory. Since this is the purpose of both the DACP and FCT Program, the Department/Services are integral components for success. The Department/Services are the U.S. Air Force (AF), U.S. Army, U.S. Special Operations Command (USSOCOM), and Department of the Navy. The AF, Army and USSOCOM each have one Service CTO. The Department of the Navy has four Service CTOs at Naval Air Systems Command (NAVAIRSYSCOM), Marine Corps Systems Command (MARCORSYSCOM), Space and

Warfare Systems Command (SPAWARSYSCOM) and Naval Sea Systems Command (NAVSEASYS COM). Each Service CTO office will have an OSD CTO designated lead and alternate person to coordinate both the DACP and FCT Programs. This designation of a Principle and Alternate shall be done in a letter of delegation by the OSD CTO Program Director on an annual basis. Each Service CTO Principal/Alternate is authorized direct submission & loading of all reports and proposals into the OSD CTO - maintained databases and computer systems, and direct communication with the OSD CTO for all programmatic and routine issues relating to the Service. Each of these designees shall be referred to as a Service CTO in this procedures handbook. When and if a consolidated Department position is required, then the CTO Director shall request one from the appropriate Department Secretariat.

C2.2. DACP. The Defense Acquisition Challenge Program provides opportunities for both innovators and the Department of Defense (DOD). For innovators, it means faster entry to the defense acquisition system. For the DOD Program Manager (PM), it means increased technology insertions to improve systems.

C2.2.1. Technological developments and operational needs are emerging faster than ever before. Yet the defense programming and budgeting process cannot always keep up. On the supply side, many of America's companies generating technological innovations have found it difficult to break into the defense market, especially those classified as small U.S. businesses. In an effort to remedy the technology-to-programming lag, the Defense Acquisition Challenge Program, authorized by Title 10, USC, Sec 2359b and the 2003 Defense Authorization Act, provides opportunities for the increased introduction of innovative and cost-saving commercial technologies or products into existing DOD acquisition programs. DACP provides any person or activity within or outside the DOD the opportunity to propose alternatives, known as Challenge Proposals, to existing DOD programs that could result in improvements in performance, affordability, manufacturability, or operational capability of the systems acquired by that program.

C2.2.2. In its first year, DOD selected 21 Fiscal Year (FY) 2003 and 2004 new start projects for funding under the Defense Acquisition Challenge Program. The first DACP Broad Agency Announcement (BAA) was released 15 March 2003 and over 300 solicited and unsolicited proposals were reviewed in making the FY03 and FY04 selections. Proposals underwent a review assessing merit, and the likelihood of rapid improvement and implementation at acceptable costs without major disruption to current acquisition programs. Proposals were also reviewed by the acquisition program managers in concert with the prime vendors to determine what was needed to implement the proposals.

C2.2.3. An OSD review panel completed a full review to independently assess these proposals using the same above criteria in addition to consideration of overall project cost and available funding. This process will be repeated annually, beginning with a BAA release. The DACP Homepage on the World Wide Web contains additional information and may be found at <https://bids.acqcenter.com/DACP>.

C2.3. FCT PROGRAM. The mission of the Foreign Comparative Testing Program is to test items and technologies of our foreign allies and friends that have a high Technology Readiness Level (TRL) in order to satisfy valid defense requirements more quickly and economically. In fulfilling this mission, FCT continues to be a uniquely successful acquisition tool from a U.S. Government-to-Foreign Industry standpoint. Since 1980, the FCT Program has helped to foster the two-way street in defense spending between the U.S. and its Allies through the procurement of more than \$5 billion in foreign items. At the same time, the program has reaped substantial

savings by avoiding research and development costs, lowering procurement costs, reducing risk for major acquisition programs, and accelerating the fielding of equipment critical to the readiness and safety of U.S. operating forces. While the aim of the FCT Program is to improve the U.S. Armed Forces' operational performance, this leveraging of foreign research and development has benefited the U.S. taxpayer. Additionally, the FCT Program has served as a catalyst for industry teaming arrangements, which have been productive for both U.S. and foreign industries in an increasingly competitive global market, helping to build a robust U.S. defense industrial base.

C2.3.1. Foreign items are nominated by a sponsoring organization within the Department of Defense for testing in order to determine whether the items satisfy U.S. military requirements or address mission area shortcomings. The OSD Comparative Testing Office funds testing and evaluation; the Services fund all procurements that result from a successful test.

C2.4. CATEGORIES OF PROJECTS. The DACP and FCT Program focus on projects where an intent to procure after the assessment phase exists. This includes both qualification and comparative testing.

C2.4.1. A qualification test is one in which a single, unique item is evaluated against a set of requirements or an existing item to determine if the equipment's capabilities meet the requirement.

C2.4.2. Under a comparative test, multiple items are tested simultaneously and evaluated against each other and against a set of requirements.

C2.5. FUNDING SCOPE. The DACP focuses primarily on funding the test and evaluation of technologies and items submitted by small U.S. vendors so domestic vendors should participate through the DACP in order to compete for OSD CTO funding.

C2.5.1. On the other hand, the FCT Program strictly focuses on testing foreign items and thus foreign vendors are highly encouraged to participate through the FCT Program to compete for funding as opposed to the DACP.

C2.5.2. If all items in a comparative test are foreign, FCT funding can be requested for the entire cost of the test (including lease or purchase of test articles and execution of the test and evaluation).

C2.5.3. If U.S. domestic items have been identified as candidates and there is a mixture of foreign and domestic items to evaluate, the FCT Program only provides funding for costs associated with test and evaluation of the foreign items. For the test and evaluation of the domestic candidates, the sponsoring organization must either provide all funds from their program budget or can elect to compete for funds through the DACP. However, it is important to note that if sponsor funding for the testing and evaluation of domestic items in a FCT project is not available, the project will not be selected. Additionally, sponsor contribution for testing and evaluation is a highly regarded evaluation criteria for project selection. This favors proposals in which the sponsoring organization contributes funding over those that either do not contribute funding or choose to compete for DACP funding to test and evaluate the domestic candidate. Ensuring that all competing items are tested simultaneously, under the same conditions, and to the same criteria will prevent projects from being unnecessarily canceled or delayed while waiting on the sponsoring organization to fund the test and evaluation of the

competing U.S. items.

C2.6. AUTHORITY AND POLICY.

C2.6.1. DACP is authorized by Title 10, United States Code, Section 2359(b). DACP was established in FY03 as a sub-element by the DOD under the Quick Reaction Special Projects, PE 0603826D8Z (DACP was later transferred to a new PE 0604051D8Z in FY04). DACP is directed by the Office of the Deputy Under Secretary of Defense (ODUSD) Advanced Systems & Concepts (AS&C). The Comparative Testing Office (CTO) was selected to manage and execute the program in February of 2003. In doing so, CTO provides oversight and funds to Service Programs of Record for the test and evaluation of technologies.

C2.6.2. Congress authorized the FCT Program in 1989 under Title 10, U.S. Code Section 2350a(g), and funds the program through Program Element 0605130D in the Defense-wide Research Development Test and Evaluation (RDT&E) 0400 Budget.

C2.7. PROGRAM OBJECTIVES. The DACP and FCT Program objectives are to improve the U.S. warfighter's capabilities and reduce expenditures through:

1. Rapidly fielding quality military equipment
2. Eliminating unnecessary duplication of research, development, test, and evaluation
3. Reducing life cycle or procurement costs
4. Enhancing standardization and interoperability
5. Promoting competition by qualifying alternative sources
6. Improving the U.S. military industrial base

C2.7.1. In keeping with overall DOD goals for efficiency and proven management techniques, the DACP and FCT Program follow the following principles:

1. Focus on implementation and procurement, since CTO is an acquisition-oriented office
2. Involve the warfighter/user from the beginning of each project
3. Utilize the Integrated Product Team (IPT) concept to manage a project from inception to completion
4. Fund projects with a user advocate, a documented requirement, a thorough market survey, a cost effective test plan, and a high probability of implementation/procurement after a successful evaluation
5. Hold the sponsoring organizations accountable for project management and project execution

C2.7.2. The DACP and FCT Program are just two of the many tools in the acquisition manager's toolbox. The decision to use DACP or FCT rests with the sponsoring organization in the Services. The key to success is planning. The sponsoring organization must develop a detailed plan for overall project execution – from testing to implementation/procurement.

CHAPTER 3 THE PROPOSAL PROCESS

C3.1. PROPOSAL PROCESS OVERVIEW. In an effort to eliminate redundancy, the existing DACP and FCT Program proposal processes have been merged into one CTO proposal process. The CTO proposal process generally begins with the identification of a DACP or FCT item and the Draft Proposal stage, which is followed by the Final Proposal stage prior to project selection. The proposal process helps establish a success-oriented approach for a DACP or FCT project. Particular attention in the proposal process is focused on:

1. Likelihood of procurement or implementation by identifying the availability and timing of the sponsoring organization's procurement funds and reviewing the sponsoring organization's acquisition strategy (and the accompanying contracting strategy) to acquire production articles, assuming a successful evaluation.
2. Early coordination among all interested parties (sponsoring organization, contracting agency, vendors, testing organizations, user representatives, program element monitors, OSD CTO, Service CTOs, etc.) through the use of IPTs.
3. Specific proposal evaluation criteria when evaluating a proposal. These evaluation criteria are discussed later in this handbook.

The following explanation of the proposal process should act as a helpful guide for any person or activity interested in submitting a proposal for the DACP or FCT Program.

C3.2. IDENTIFYING A DACP OR FCT PROPOSAL ITEM. The CTO proposal process starts with the identification of a world-class item or an innovative technology that may have potential for use by the U.S. military to fulfill a validated requirement, an operational shortfall, or to improve a system capability. Identifying a potential FCT or DACP item is fulfilled by many people through multiple modes. Often a vendor with a world-class or innovative technology will advertise their product directly to a Program Office, Service CTO, or the OSD CTO. In this case, the Program Manager (PM), Service CTO representative, or the OSD CTO representative is responsible for interfacing with the vendor, reviewing the proposed item for potential and technical merit, and guiding the vendor through the proposal process. In other instances, the PM may have identified a potential item that could benefit his or her acquisition program of record through market surveys or trade shows. Also, OSD CTO and Service CTOs make well-planned industry tours to foreign countries and domestic trade shows to actively search for potential FCT and DACP candidates. These trips give the vendor, as well as the CTOs, a unique opportunity to interface directly with each other and form long-lasting relationships.

C3.2.1. In essence, anyone can submit an idea for consideration for DACP and FCT funding by contacting an OSD or Service CTO representative listed on the CTO website at <http://www.acq.osd.mil/cto/>. Ultimately, all ideas for a DACP or FCT proposal item must be reviewed by the sponsoring Program Office, Service CTO, and the OSD CTO to ensure that the item is within the scope of funding for the respective program and can be matched with a valid requirement or an ongoing acquisition program.

C3.2.2. At a minimum the information required to initiate a DACP or FCT proposal are:

1. SUBMITTER INFORMATION
2. PROPOSAL TYPE
3. PROJECT DESCRIPTION
4. FUNDING REQUESTED
5. BENEFITS AND SAVINGS ESTIMATE

(These bullets correspond to the cover sheet and sections 1, 2, 7a,c, and 9 of the Proposal Format)

C3.2.3. A potential DACP or FCT item may also be identified by a number of other methods:

1. U.S. market investigations (such as RFIs, Sources Sought Notices, BAA)
2. Vendor marketing
3. U.S. military user observation of the item in use, for example during coalition operations and exercises, or an in-country U.S. representative observation of the host nation's military using the item
4. Observation of a foreign item or state-of-the-art technology at military conventions, conferences, or industrial trade shows
5. Targeted searches for materiel to satisfy urgent military requirements
6. Vendor demonstrations to military users and materiel acquisition professionals in the DOD or high-level military personnel
7. Identification of potential foreign vendors by U.S. representatives overseas, such as the Offices of Defense Cooperation, USAF Liaison Offices, and Army Research, Development and Standardization Groups

C3.3. THE PROPOSAL PROCESS: DRAFT PROPOSAL STAGE. As a result of combining the DACP and FCT proposal processes into one process, the Service CTOs are no longer required to submit a Summary Proposal, as was required in the outdated FCT proposal process. After preliminary search and identification of potential DACP and FCT project items, the next step is to submit a Draft Proposal through the BIDS eBusiness tool at <https://bids.acqcenter.com>. BIDS allows vendors and PMs to register and submit Draft Proposals for evaluation.

C3.3.1. The DACP and FCT Program differ slightly in the method for soliciting Draft Proposals. The DACP formally advertises for Draft Proposals through the release of the DOD-issued Broad Agency Announcement (BAA) in Federal Business Opportunities (FedBizOpps). The BAA specifically requests proposed rapid improvements to existing acquisition programs, at the component, subsystem, or system levels. FedBizOpps, with information on how to use it, is available on the World Wide Web at <http://www.FedBizOpps.gov/>. This ensures the widest opening possible to domestic industry.

C3.3.2. While the DACP utilizes a formal BAA to solicit Draft Proposals; the FCT Program decentralizes the process by assigning the individual Program Manager and their respective Service CTO the responsibility of soliciting for competing candidates and submitting a Draft Proposal through BIDS. This is due to the legislative restriction of the FCT Program being limited to Allies and friendly foreign countries.

C3.3.3. Throughout the submission process, initial Draft Proposals allow preliminary insight into the extent of the projects for the upcoming cycle and assist OSD CTO in preparing

the President's Budget Document. The Draft Proposal thoroughly describes the item(s) to be tested, the funding requested, and the benefits of the project. Both the Draft Proposal and the subsequent Final Proposal utilize the same proposal format (Appendix B). However, only certain sections of the proposal format that pertain to the description, cost, and benefits of the project are necessary for the Draft Proposal stage.

C3.3.4. The thoroughness and accuracy of the Draft Proposal provides a foundation for a successful project. Although anyone can submit a Draft Proposal in BIDS, a successful Draft Proposal submittal is the result of interaction among the user/warfighter, the vendors, the Program Executive Officers, Program Managers, Acquisition Managers, and the respective comparative testing offices at the Service level to match an item with warfighter requirements.

C3.3.5. In addition to the Draft Proposal document, submitters are also required to submit a Quad Chart. A Quad Chart is a single PowerPoint slide that depicts a summary of the proposed item or technology, a visual picture or diagram, interested participants and contact information, and funding requested. A Quad Chart template is available in Appendix 9.

C3.3.6. For both the DACP and the FCT Program, it is ultimately the submitter's responsibility (whether the submitter is a PM or a vendor) to coordinate with the respective CTO designee at the Service level to submit a thorough and accurate Draft Proposal and Quad Chart. During the Draft Proposal stage, Service CTOs will assist submitters to ensure correct formatting and necessary inclusion of required information that explains the maturity of technology, benefit to the Warfighter, and cost of implementation, without unacceptable disruption to programs.

C3.3.7. After identifying, meeting, and developing the necessary information requirements with the assistance of the Service CTOs, submitters must turn in their Draft Proposal and Quad Chart by the proposed deadline into the BIDS Website.

C3.3.8. Service Admin Review. Once the Draft Proposal solicitation phase has concluded, OSD and Service CTOs begin the Draft Proposal review phase. The first step in this phase is the Service Admin Review, in which Service CTOs evaluate each submission for correct formatting, necessary inclusion of the required information, and a determination of whether the proposal is within the funding scope of the DACP or FCT Program. If the submission does not meet the standards during the Service Admin Review, it may be rejected and the submitter will be notified with a possible referral to other programs when applicable.

C3.3.8.1. A key requirement for any proposal to go forward for consideration in the Draft Proposal stage is to ensure that each proposal has a sponsoring Program of Record (POR) and a PM to develop the proposal. While many DACP and FCT proposals originate from a PM, those proposals submitted directly by the vendor without any initial coordination with government Program Offices need to be matched with a POR that will directly benefit from the proposed technology. In this case, the Service CTOs will match each proposal to an appropriate, existing Program of Record (POR) for consideration and evaluation by the PM.

C3.3.9. Technical Review and the PM/PEO Review. If the submission passes the Service Admin Review, the next step is the Technical Review and the PM/PEO Review, which can be conducted concurrently. In the Technical Review, Service CTOs assign at least two technical subject matter experts to evaluate each submission for technical merit and feasibility. In the PM/PEO Review, the Service CTO assigns the targeted sponsoring PM to evaluate the

technical merit of the proposal as well as to determine the implementation/procurement potential of the proposed item or technology into their Program of Record. Unless there is sufficient interest in implementing/procuring and fielding the item or technology after a successful evaluation, there is little reason to conduct a DACP or FCT project. The project manager must determine that sponsor procurement funding is available in the amount and timeframe needed to implement or procure the item after testing. A Flag-level or Program Director letter of support indicating that the equipment will be implemented or procured if it tests successfully increases confidence in Service-commitment to the project. If the lead time is sufficient, a Program Objective Memorandum (POM) request will be adequate to show support for implementation. In both cases, the Flag-level or Program Director support must be from an Acquisition official who oversees the Program Element.

C3.3.9.1. In order for the Draft Proposal Submission to pass the Technical Review and PM/PEO Review stage, both the PM and at least one of the technical subject matter experts have to approve the submission. If both concur, the PM then agrees to sponsor the submission and coordinate the Final Proposal Submission.

C3.4. THE PROPOSAL PROCESS: FINAL PROPOSAL STAGE. Given a complete and viable Draft Proposal package, the Service CTO transitions the proposal to the sponsoring acquisition Program of Record's project manager (PM) for formal acceptance and development of the Final Proposal package. At the beginning of the Final Proposal stage, it is advised that the PM begin to compile a preliminary Integrated Product Team (IPT), to include at least the vendor(s) representative(s), user advocate(s), and the Service CTO representative. This team gathers information in order to develop the Final Proposal.

C3.4.1. With the help of the IPT, the selected POR's Project Manager (PM) develops the Final Proposal package by further evaluating the proposal's maturity of technology, benefit to the Warfighter, potential to transition, and likelihood of rapid improvement. The PM must also project what is needed to implement the proposal; this includes developing Pass/Fail Criteria, a preliminary test plan, acquisition/transition strategy, and Letters of Endorsement (LOE) indicating support for the technology and an intent to transition the technology after a successful test. Additionally, planning how to meet each certification required for inserting the new technology into existing acquisition programs should also be considered (for example, safety, weapons stores clearance, hazard classification determination, and the like). The Final Proposal also provides information to determine the suitability of the project for the DACP or FCT Program and highlights the implementation or procurement potential of an item. The emphasis on implementation and procurement underscores the DACP and FCT Program's principal purpose as acquisition programs. In developing the Final Proposal, the PM and the appropriate Service CTOs should also consider the evaluation criteria on which the proposal will be judged. These evaluation criteria are discussed later in the chapter.

C3.4.2. At the Final Proposal Stage, the PM and their respective Service CTO also have the responsibility of specifically soliciting for competing candidates for the item or technology contained in the Draft Proposal. To meet Federal Acquisition Regulations for fair and open competition, Service CTOs guide PMs in conducting separate market investigations for each proposal submitted. The PM has the ultimate responsibility to conduct a thorough market investigation before formal submittal of a proposal. This investigation ensures that all known viable contenders (both domestic and foreign) are being considered and reduces challenges to the acquisition of production articles after a successful test. The Request for Information or Sources Sought Notice must be open for a minimum of two weeks on the FedBizOpps, and must note that the ultimate goal of the test program is to procure the item(s) which best meets

user needs. Alternatively, a sole-source justification and authorization is available for unique or special items at the designated Acquisition Commander's discretion.

C3.4.3. A good strategy in completing the Final Proposal is to enlist the assistance of an OSD-level subject matter expert (SME) within the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD, AT&L) known as "Lead Reviewers" to review the technology contained in each proposal. Lead Reviewers review Final Proposals to lend their specific expertise to advise whether the technology contained in the proposal is realistic, applicable, and mature enough to enhance the User's capabilities. Lead Reviewers will also act as proposal advocates during the upcoming CTO Review Committee, which is discussed later in this chapter.

C3.4.4. Project Chart and Pass/Fail Criteria. In addition to developing the Final Proposal and refining the Quad Chart submitted in the Draft Proposal stage, the PM must also draft Pass/Fail Criteria and a Project Chart that depicts key project activities and projected funding outlays by fiscal year (The Project Chart template is available in Appendix 6). DACP and FCT test phases are based on decision points tied to Pass/Fail Criteria. Pass/Fail Criteria are defined as capabilities or characteristics so significant that failure to meet the minimum acceptable value (threshold value) to satisfy the need is normally cause for project termination. Pass/Fail Criteria address questions relating to a system's operational, technical, support, or other capability that must be answered before an item's overall effectiveness and suitability can be evaluated. These criteria are expressed in terms of "objectives" and "thresholds." If no objective values (the desired performance of the item) are specified, the threshold values are considered to be the following:

1. For performance, the same as the objective value
2. For schedule, the objective value plus three (3) months
3. For cost, the objective value plus ten percent (10%)

C3.4.4.1. By listing all specified and implied requirements from the validated requirements documents and working with the user/operator, the project manager determines which of these are critical. The project manager must then determine the Pass/Fail Criteria and define the required (threshold) and desired (objective) criteria the item must satisfy. Understanding what the users see as "critical" drives the entire test and evaluation decision process. An inadequate or incomplete understanding of what is critical leads to poor decisions on items under consideration.

C3.4.5. Acquisition and Contracting Strategy. The sponsoring organizations should, if possible, structure their acquisition and contracting strategies so there is a single contract award to obtain the test articles and options for the first lot of production articles. Allowing for production options in the basic test contract as an acquisition strategy is commonly referred to as the "Kaminski Approach," a strategy developed and approved during the term of Dr. Paul Kaminski, former Under Secretary of Defense (Acquisition & Technology). The policy outlines the following guidelines:

1. The intent to initiate a DACP or FCT project followed by implementation/procurement should be publicized in the FedBizOpps, encouraging full and open competition.
2. Sources responding to the announcement should be provided a solicitation that calls for proposals to include test article prices and priced options for production quantities.
3. Procuring activities may, without further competition and on the basis of the solicitation and the proposal, contract for production of the successful test article.

C3.4.5.1. With such an acquisition and contracting strategy, the project manager can proceed directly from successful test to implementation or procurement. The complete one-page memo may be found in Appendix 8.

C3.4.6. Submitting the Final Proposal. Once the PM has fully developed the Final Proposal, the Quad Chart, Project Chart, Pass/Fail Criteria, Draft Test Plan, and Letters of Endorsement, the Program Office submits the Final Proposal package through BIDS for review by the Service and OSD CTOs.

C3.5. THE PROPOSAL PROCESS: PROJECT SELECTION. After receipt of the Final Proposal package, OSD and Service CTOs conducts an internal, preliminary review prior to a full review by a panel established by the Deputy Under Secretary of Defense, Advanced Systems and Concepts (DUSD, AS&C), consisting of representatives from OSD with particular functional expertise. The CTO Review Committee independently assesses Final Proposals in accordance with established evaluation criteria in order to provide guidance and recommend DACP and FCT projects for funding. Protection of intellectual property rights is considered throughout the process.

C3.5.1. DUSD, AS&C has final decision authority on the selection of proposals for funding. Subsequent to final project selection for the FCT Program, OSD CTO prepares and sends notification letters to Congress listing individual projects recommended for funding. At the end of the 30-day Congressional notification period — if there are no objections from Congress, and the selections are approved — sponsoring organizations are notified of project approval and funding award to obtain, test, and evaluate items for their approved FCT projects. There is no required notification period for the DACP.

C3.5.2. Ultimately, OSD CTO disburses funding through Service CTOs to the PORs. PORs then put funds on contract as required. Most projects are funded for no more than two years. However, complex equipment or tests of sophisticated systems can be funded for longer periods. The proposal cycle ends with the transfer of funds to the sponsoring organizations to execute the approved projects. If successful, the tested technologies can be scheduled for insertion into the acquisition programs.

C3.6. Service Level Rapid Proposal Process. The purpose of the Rapid Proposal Process is to provide a mechanism for the Services to request an expeditious approval of a relatively short duration (no more than 6 months long) proposal that would allow the Services to rapidly test, evaluate or qualify equipment for immediate use and deployment to military units for direct support of ongoing war fighting efforts (e.g. deployment to military area of operations). In such a scenario, Services identify a product that may meet an immediate need in military, war-fighting operations and develop a proposal to provide to OSD CTO. The Service also identifies source of funds, previously provided to that Service, to fund the rapid response proposal. Then, the Services prepare a recommendation to OSD CTO for approval to reallocate the funds internally (among previously approved projects) within the respective Service. Services may add additional funds of its own to the project and conduct the project under this provision also.

Table C.3.T1. Rapid Proposal Process Procedures/Timeline

Time/days	Step
D-0	Services identify product that may meet immediate need/use in military war fighting operations and develop a proposal to provide to OSD

	CTO. Service also identifies source of funds, previously provided to that service, to fund the rapid response proposal. Services prepare a recommendation to reallocate the funds internally (among previously approved projects) within the respective service to provide a source of funds and provides recommendation on reallocation to OSD CTO.
D-10	Director, OSD CTO provides streamlined approval of "rapid response" proposal.
D-10	OSD submits notification to congress for approval of new start "rapid response" proposal.
D-10 to D-40	Congressional Notification/Approval (30 days). Service conducts planning to execute project. Funds reallocated and contract negotiated.
D-40	OSD CTO provides official project approval to service and the project initiated by Service with contracting officer's signature.
D-40 to D220	Project conducted.
NLT D-220-360	Target project completion date.

C3.7. EVALUATION CRITERIA. The specific evaluation criteria shown in Table C3.T2. are used to determine if a proposal qualifies for a DACP or FCT project. A DACP or FCT proposal writer must understand the rationale behind these criteria and provide the necessary information when submitting a proposal. A smart proposal writer will ensure to consider the following evaluation criteria when writing the Final Proposal. The best way to obtain the required information is to form an IPT early in the process and ensure that necessary organizations are represented. Projects that most closely meet all of the criteria listed below have the best chance of selection.

Table C3.T2. CTO Proposal Evaluation Criteria (Also see Appendix AP3)

<ol style="list-style-type: none"> 1. Operational Benefit to the Warfighter 2. Origin (Country/State) 3. Technology Readiness Level 4. Valid Requirement 5. Program Potential (use of multiple programs) 6. Market Investigation 7. Intellectual Property Rights 8. Number of Years OSD Funding Requested 9. Percentage of Project \$ Funded in the First Year 10. Sponsor Funding of Total Project Cost 11. Project Schedule 12. Number of Years Until Procurement 13. Advantages to the U.S. 14. Number of Years Item Will Be in Use After Fielding 15. Cost Effective Test Approach 16. Availability of Test and Evaluation Data 17. Acquisition Strategy- Procurement for Deployment 18. Procurement Potential
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19. Letter of Endorsement
20. Integrated Product Team
21. Impact If Not Funded
22. Government Organization/ Program Office Past Performance
23. Vendor Past Performance
24. Is this a good idea?

C3.7.1. Operational Benefit to the Warfighter (Proposal Section 2c(2) and 9a(4))
 The DACP and FCT Program focus on providing increased operational capability to the warfighter. The DACP and FCT project description must accurately portray, at the minimum, moderate and immediate operational benefit to the warfighter.

C3.7.2. Origin (Country/State) (Proposal Section 2d)
 By law, FCT funds can only be used to test and evaluate foreign items. The FCT Program can be used in the following situations: Only foreign source(s) meets the requirement(s); the proposed foreign item appears to offer significant cost, schedule, or performance advantages over a U.S. system under development, in production, or in field use; the foreign item has the potential to correct an operational deficiency or shortcoming; or the foreign item presents a promising procurement alternative for military equipment, munitions, or a related technology.

C3.7.2.1. Where questions exist, a determination of origin is necessary to ensure compliance with the law. The methodology for determining the relevant disposition of a product is found in Federal Acquisition Regulation Part 25 and in the Defense Federal Acquisition Regulation Supplement Part 225. If ambiguity still exists after referring to these regulations, a legal interpretation must be obtained by the sponsoring command and provided to OSD. Furthermore, FCT proposals must originate from a strong U.S. ally, an active NATO or major Non-NATO ally, or in some cases, a neutral country. FCT Proposals originating from countries opposed to U.S. policy or those from restricted countries will not be selected for funding.

C3.7.2.2. For the DACP, domestic origination information is for Congressional reporting purposes only, and will not have direct bearing on the selection of projects.

C3.7.3. Technology Readiness Level (TRL) (Proposal Section 2d)
 The DACP and FCT Program's focus is on testing and evaluating world-class non-developmental and near-non-developmental items. Under the DACP and FCT Program, non-developmental items are those that are already developed and have potential military application without major modifications. The item may be commercial or military.

C3.7.3.1. OSD CTO gauges the development status of DACP and FCT proposals through the use of Technology Readiness Level ratings at the projected testing time. Specifically for this criterion, DACP and FCT Program slightly differ in that the DACP is more open in its consideration of near-non-developmental items than is the FCT Program. Under the DACP, OSD CTO seeks proposals with a TRL greater than or equal to 7 with a successful system prototype demonstration in an operational environment. Any DACP proposal with a TRL less than 6 will not be selected.

C3.7.3.2. The FCT Program seeks proposals with non-developmental items that are already in production and/or fielded in the operational environment. The FCT Program will consider those proposals with a TRL greater than 7, endorsing items

entering production with little or no modification needed. The FCT Program will not select proposals with a TRL less than 7.

C3.7.3.3. A question that normally surfaces during the review and selection process is whether an article proposed for DACP or FCT evaluation is already fielded. An item already in use helps demonstrate the viability of the item and also provides a data source on real world use that may be leveraged to reduce the time and cost in evaluation of the item. The proposal should also address interoperability and support considerations (e.g., is the item or system in, or about to enter into, service with one or more allies or friendly countries?).

C3.7.3.4. It is important to keep in mind that the DACP and FCT Program cannot be used as substitutes for research and development collaboration.

Table C3.T3. Technology Readiness Level Definitions

TRL	Description
1. Basic principles observed and reported.	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development. Examples might include paper studies of a technology's basic properties.
2. Technology concept and/or application formulated	Invention begins. Once basic principles are observed, practical applications can be invented. The application is speculative and there is no proof or detailed analysis to support the assumption. Examples are still limited to paper studies.
3. Analytical and experimental critical function and/or characteristic proof of concept.	Active research and development is initiated. This includes analytical studies and laboratory studies to physically validate analytical predictions of separate elements of the technology. Examples include components that are not yet integrated or representative.
4. Component and/or breadboard validation in laboratory environment.	Basic technological components are integrated to establish that the pieces will work together. This is relatively "low fidelity" compared to the eventual system. Examples include integration of "ad hoc" hardware in a laboratory.
5. Component and/or breadboard validation in relevant environment.	Fidelity of breadboard technology increases significantly. The basic technological components are integrated with reasonably realistic supporting elements so that the technology can be tested in a simulated environment. Examples include "high fidelity" laboratory integration of components.
6. System/subsystem model or prototype demonstration in a relevant environment.	Representative model or prototype system, which is well beyond the breadboard tested for TRL 5, is tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a high fidelity laboratory environment or in simulated operational environment.
7. System prototype demonstration in an operational environment	Prototype near or at planned operational system. Represents a major step up from TRL 6, requiring the demonstration of an actual system prototype in an operational environment with

	representatives of the intended user organization(s). Examples include testing the prototype in structured or actual field use.
8. Actual system completed and operationally qualified through test and demonstration.	Technology has been proven to work in its final form and under expected operational conditions. In almost all cases, this TRL represents the end of true system development. Examples include developmental test and evaluation of the system in its intended or pre-production configuration to determine if it meets design specifications and operational suitability.
9. Actual system, proven through successful mission operations.	Actual application of the technology in its production configuration and under mission conditions, such as those encountered in operational test and evaluation. In almost all cases, this is the end of the last "bug fixing" aspects of true system development. Examples include using the system by operational users under operational mission conditions.

C3.7.4. Valid Requirement (Proposal Section 3)

A validated requirement is critical to any implementation or procurement after a successful test. Vendors wishing to make informed business decisions concerning a DACP or FCT project should understand the importance of the relationship between validated requirements to potential sales. Requirements are normally in the form of a Mission Need Statement (MNS), an Operational Requirements Document (ORD), an Initial Capabilities Document (ICD), or a Capabilities Development Document (CDD). In unique cases, an urgent need can be documented in a letter from a requirements authority. The proposal need not meet all requirements for a POR, but must help meet some.

C3.7.4.1. Vendors should ask about requirement documents to determine whether their product can satisfy the requirements (note that in some cases, the requirements document may not be releasable due to disclosure issues). In situations where a requirements document is classified and none of the traditional methods of release are possible, the proposal should include the following:

1. Titles of Mission Needs Statements and/or Operational Requirements Documents and/or Initial Capabilities Document and/or Capabilities Development Documents
2. Date the validated requirements document was signed
3. Name and rank of the signatory
4. Classification of the documents

C3.7.4.2. Providing information in the requirements documents to a vendor allows him or her to make informed business decisions on participation in the DACP or FCT Program and the risks involved. Consistent with U.S. disclosure policy, foreign embassy personnel in Washington, D.C., and U.S. personnel overseas can help facilitate the transfer of such information and documents for FCT projects.

C3.7.4.3. DACP or FCT projects evaluating items that enhance or modify prime equipment already in the U.S. inventory do not require a specific document, but must consider the remaining service life of the equipment. The probability an existing end item will be in the inventory at test completion and the probability the tested item will be available for integration at the necessary time become deciding factors during the review and selection process. Service policies restricting expenditure of funds to upgrade prime

equipment nearing the end of its service life must be considered before proposing a project.

C3.7.5. Program Potential (Use to Multiple Programs) (Proposal Section 4)

A DACP or FCT proposal that lends benefit and utility to multiple programs is always optimal. During the proposal process, Service CTOs exchange their proposals to determine if there is a shared interest. This early Joint consideration avoids duplication and additional costs. Where Joint interest and support exist, a proposal is likely to have increased implementation or procurement potential and a higher probability of receiving DACP or FCT funding. In this case, the proposal should include endorsement from one or more Combatant Commander, a signed inter-service Memorandum of Understanding (MOU), or similar document.

Additionally, a proposal may also benefit multiple programs within the same Service. In this case, a proposal is also likely to have increased implementation or procurement potential and a higher probability of receiving DACP or FCT funding. LOEs from each interested program are required.

C3.7.6. Market Investigation (Proposal Section 5)

The DACP and FCT Program require a global market investigation be completed prior to Final Submission approval. The intent is to ensure that all worthy products are identified prior to starting a project. Although the DACP is advertised through the annual Broad Agency Announcement (BAA) in the FedBizOpps, like the FCT Program, OSD CTO still requires the sponsoring organization to publish a Request for Information or a Sources Sought Notice inquiry in the FedBizOpps for each separate proposal. All Federal procurement offices are required to announce proposed procurement actions over \$25,000 and contract awards over \$25,000 that are likely to result in the award of any subcontracts in FedBizOpps. In some cases more than one FedBizOpps announcement may be required. For example, an initial announcement would identify existing capabilities to help define the requirement, and a final announcement would address the implementation/procurement potential. FedBizOpps lists notices of government areas of interest, proposed government implementation/procurement actions, contract awards, and other implementation/procurement information. A new edition of FedBizOpps is issued every business day. Each edition contains up to a thousand notices divided into categories, and notices appear in the FedBizOpps only once. FedBizOpps, with information on how to use it, is available on the World Wide Web at <http://www.FedBizOpps.gov/>.

C3.7.6.1. For FCT projects, OSD CTO enlists the aid of U.S. representatives overseas in identifying candidate vendors by notifying them of FedBizOpps announcements or forwarding short descriptions of the candidate projects. Vendors should also keep in contact with the Service and user representatives, both through their web sites and by phone, e-mail, and face-to-face meetings.

C3.7.6.2. A complete and thorough market survey lessens the likelihood of a vendor lodging a complaint after a project is completed. When this situation occurs, it results in a dilemma for the contracting officer and can lead to a lost implementation/procurement opportunity.

C3.7.7. Intellectual Property Rights (Proposal Section 6)

The DACP and FCT Program consider the sensitivity of protecting vendor-specific intellectual property rights (IPR). Within the DACP and FCT proposal process, OSD CTO goes to great lengths to ensure protection of IPR. However, certain requirements exist in order to enable proper testing and evaluation, which may necessitate negotiations on acceptable IPR

restrictions and costs. The DACP and FCT Program seek proposals that do not contain IPR restrictions and costs, but will also accept those with reasonable restrictions and costs; particularly when the production is a license to a U.S. producer.

C3.7.8. Number of Years OSD Funding Requested (Proposal Section 7a)

In order to accelerate the path for transitioning technologies from the testing and evaluation phase to actual fielding to the warfighter, DACP and FCT projects are typically funded for no more than 2 years. Therefore, the DACP and FCT Program favor proposals that request funding for no more than 2 years and will not select projects that request more than 3 years of funding. If a project takes more than 3 years to complete, the Service must pay for 100% of the costs in year 4 and forward.

C3.7.9. Percentage of Project Funded in the First Year (Proposal Section 7a)

The DACP and FCT Program favor proposals that outline a balanced funding approach which matches the activity schedule. Because DACP and FCT projects are typically funded for no more than 2 years, a funding request with a balanced outlay of funds within 2 years or less is desired. A project that can utilize all funding requested and complete the test within the first year is the optimal approach when production funding is ready the following year. If production funding is 2 years out (POM lead time), then a 2-year funding request is optimal.

C3.7.10. Sponsor Funding of Total Project Cost (Proposal Section 7b)

The DACP and FCT Program fund the testing and evaluation of technologies that are in need by the warfighter. However, the programs are constrained by limited budgets, and there are always more projects than OSD CTO can fund. The DACP and FCT Program favor proposals in which Program Offices are willing to contribute at least equal Sponsor funding to DACP or FCT funding requested over the life of the test. Also, willingness of the foreign government and/or industry to absorb part or all of the costs associated with providing test articles will give a proposal a distinct advantage.

C3.7.10.1. Furthermore, the FCT Program by law cannot provide funds to test and evaluate U.S. items. Therefore, a sponsoring organization must provide all funding to test and evaluate credible U.S. contenders to the same requirements in the same timeframe as the foreign item. The sponsor should identify funding by Program Element (PE) and have the authorization and approval of the PE Manager to test and evaluate credible domestic contenders. If sponsor funds are not available to simultaneously test and evaluate the domestic contenders, FCT funds will not be provided to test the foreign items. Foreign vendors need to be aware of this stipulation, as past FCT projects have been canceled or delayed while waiting on sponsor funding to evaluate competing U.S. items.

C3.7.11. Project Schedule (See Project Chart)

As stressed earlier, DACP and FCT projects selected for funding take no more than 2-3 years for testing and evaluation. Therefore, the DACP and FCT Program favor proposals that can complete the testing and evaluation phase in less than 3 years. If the project schedule outlined in the proposal exceeds 5 years, the proposal will be immediately rejected.

C3.7.12. Number of Years Until Procurement (Proposal Section 8 and See Project Chart). The DACP and FCT Program are acquisition programs that attempt to accelerate the path to implementation or procurement, and fielding of required military equipment. Therefore, the DACP and FCT Program strongly favor proposals that can credibly project the Number of

Years until Procurement in less than 2 years after the conclusion of testing. Projects without implementation/procurement potential will not be selected.

C3.7.13. Advantages to the U.S. (Proposal Section 9a)

The DACP and FCT Program strive to gain identifiable Cost Schedule & Performance (CSP) and Return on Investment (ROI) advantages for the U.S. Department of Defense. A CSP and ROI increase of at least 50% are desired.

C3.7.14. Number of Years Item Will Be in Use After Fielding (Proposal Section 9b(4))

The DACP and FCT Program not only seek to accelerate the path to implementation or procurement, and fielding of required military equipment, the programs also strive to make a sustained impact in improving the warfighter's capabilities. To this end, proposals that credibly tout equipment or technologies that may be fielded for a sustained period of time after the first production lot is procured have a distinct advantage. OSD CTO seeks proposals that predict an item to be in use for at least 5-10 years after fielding.

C3.7.15. Cost-Effective Test Approach (Proposal Section 10a)

The DACP and FCT Program have established track records of managing efficient projects. In order to maintain this reputation and protect future years' funding, OSD CTO mandates that the sponsor outline a cost-effective test approach with reasonable item and test costs/risks. Increased favor is also given to proposals in which the vendor is willing to make significant contributions in terms of test items and data to streamline the test approach. Furthermore, the test plan must recognize the differences in testing a non-developmental item as opposed to a near-non-developmental item, must leverage existing developmental and operational test and evaluation data, and must focus on testing Pass/Fail Criteria early.

C3.7.16. Availability of Test and Evaluation Data (Proposal Section 10c)

It is safe to assume that non-developmental and near-non-developmental items have some previous test and evaluation data available. Although the U.S. Department of Defense must always conduct operational testing for the military environment, previous test and evaluation data can be beneficial and cost effective to the sponsor POR.

C3.7.17. Acquisition Strategy- Procurement for Deployment (Proposal Section 11)

The sponsoring organization shall determine the implementation or procurement potential of an item. DACP and FCT do not exist simply to fund tests and evaluations; they are a means to implementation or procurement if the item meets requirements and provides best value. Congress, the Department of Defense, U.S. defense industry, foreign industry, and foreign governments are all interested in procurements after a successful test and can facilitate that procurement.

C3.7.17.1. Even with procurement funding identified, a project can still flounder if the sponsoring organization does not have a sound acquisition strategy. Prior to formal submittal of the proposal, the sponsoring organization must consider how the acquisition of production items will occur. The DACP and FCT Program highly favor those projects that specify follow-on procurement funding as an option on either the test contract or another contract. This strategy employs the Kaminski Approach, which specifies production options in the test article contract. Any proposal that does not specify a viable follow-on procurement strategy will not be selected.

C3.7.18. Procurement Potential (Proposal Section 11)

While each project is considered on its own merits, the absence of identified procurement funding (or a letter of intent to obtain procurement funding from the Flag Officer or Program Director in the acquisition chain of command) may result in no funding for a candidate project. The proposal must identify procurement and support funds available in the Future Years Defense Plan (FYDP) within the DOD Component to satisfy the requirement against which the foreign item is being evaluated. In lieu of funds in a Program Element, a PM/WP or Flag Office letter promising to seek procurement funds is a necessity. Those DACP and FCT proposals that have the opportunity to garner significant procurement potential and dollars will be given a higher priority. If procurement potential and amount are very low or insignificant, the proposal will not be selected.

C3.7.19. Letter of Endorsement (See LOEs)

The importance of user advocacy for a DACP or FCT project cannot be overemphasized. The user generates requirements in the U.S. Department of Defense acquisition system, and the user must specify to the sponsoring organization staff which requirements will receive funding for procurements. The user's continuing interest in satisfying a requirement helps maintain procurement funding as the annual Service and USSOCOM budgets are reprioritized each year.

C3.7.19.1. Project Manager/Weapon Prime and Flag Officer-level LOEs help ensure funding for implementation or procurement after a successful evaluation. An official letter indicating the intent to implement or procure if testing is successful demonstrates the commitment of the Service to the DACP or FCT project. Likewise, a sponsor's inability to garner support may be an early indication that there is no serious intent to implement or procure after testing is completed and the project will not be selected.

C3.7.20. Integrated Product Team (Proposal Section 12c)

A key to successful project management is the early use of an IPT. Government and industry must work together to identify and resolve issues. Early industry involvement in the DACP or FCT effort is highly encouraged.

C3.7.20.1. The project manager must also involve vendors in the development of the DACP or FCT proposal. Vendors can provide key information to identify existing test data and the procedures used to obtain the data, general leasing or purchasing costs, and hardware availability. Existing test data, funded by the vendor or by the vendor's government customer, must be considered in developing a project test plan. With tight budgets, we cannot afford to duplicate testing. Therefore, the proposal must include contact information for the technical advisor at the foreign vendor.

C3.7.20.2. Vendor participation is generally defined as occurring when:

1. The vendor has been asked to identify and discuss testing
2. The vendor has been asked for test article availability and general pricing information
3. The vendor's sharing in the risks has been discussed (no-cost loan of the test item, low-cost lease of the test item, vendor service and test support)
4. The vendor has seen the proposed test approach that the sponsoring organization intends to use for the project
5. The vendor has been provided an opportunity to offer feedback to enhance or add realism to the proposed project

C3.7.20.3. Early utilization of an IPT saves time, cuts program risk, and can avoid costly re-testing of the item or technology. A DACP or FCT proposal that does not employ the use of an IPT will not be selected.

C3.7.21. Impact if Not Funded (Proposal Section 14)

In evaluating a DACP or FCT proposal, OSD CTO not only considers the potential benefits of employing a certain piece of equipment or technology, but also strongly acknowledges the impact that not selecting an item would have on a current acquisition program of record. OSD CTO aims to fund projects that will improve the DOD to the greatest extent.

C3.7.22. Government Organization/Program Office Past Performance (General Information) In establishing a track record of success in managing the DACP and FCT Program, Service and OSD CTOs have catalogued its successes and failures with certain U.S. government organizations and program offices. The DACP and FCT Program seek to conduct business with reputable and reliable organizations that do not have a record of cost overruns or schedule delays and follow through on implementation/procurement plans.

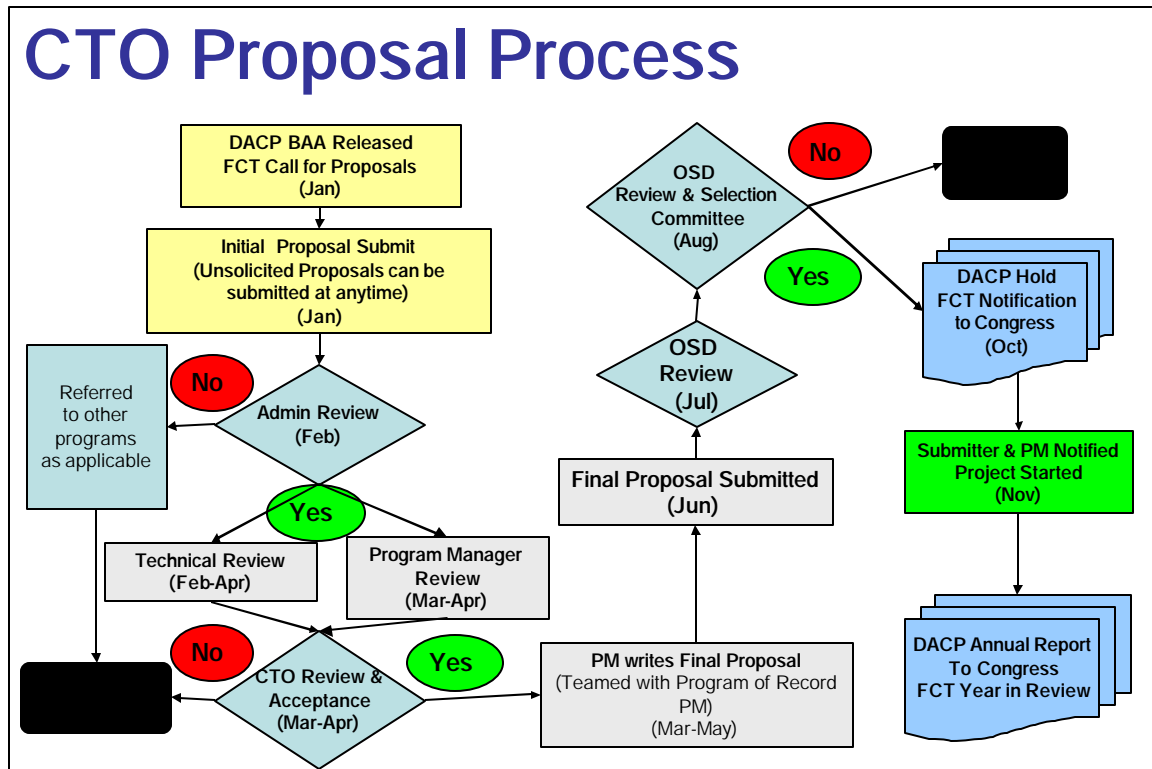
C3.7.23. Vendor Past Performance (General Information)

The DACP and FCT Program strive to conduct projects with reputable vendors that deliver on time, on budget, with quality equipment, and follow through on production orders. In addition, an area that often gets overlooked is the availability and cost of logistics support. The maintenance concept must be identified prior to equipment fielding by U.S. forces. This includes maintenance level of support, availability of spares, repair parts, use of contractor maintenance support, shelf-life, and other such factors.

C3.7.24. Is this a good idea? (General Information)

This is an overall sanity check on the proposed item or technology. This would include as examples: eliminating proposed projects that may not meet the restrictions of the Geneva Convention or other treaty agreements (poison gas) may have unacceptably high collateral damage (computer viruses) or infringe on legally protected rights of U.S. citizens.

Table C3.T4. CTO Proposal Process Diagram



C3.8. ESTIMATING BENEFITS (METRICS). The DACP and FCT Program benefit the United States in both tangible and intangible ways. Among the tangible benefits are cost avoidance in research, development, test and evaluation, lower per-unit procurement costs, reduced life-cycle costs, increased production quality, and accelerated fielding of the item to the operators (which translates into improved readiness).

C3.8.1. An important, though intangible, benefit comes from strengthened relationships with allies and friends. The FCT Program, especially, demonstrates U.S. commitment to a two-way street in international armaments cooperation and reciprocal defense procurement. In addition, industrial partnerships resulting from a DACP or FCT can lead to further cooperation in the global marketplace.

C3.8.2. Ultimately, the true measure of the DACP and FCT Program's success is implementation or procurement after a successful evaluation. The selection process for funding priority ranks DACP and FCT proposals based on the potential for implementation or procurement when the item satisfies the validated requirements and provides best value. The proposal should address the following benefits:

C3.8.2.1. Cost avoidance in U.S. RDT&E

Every DACP and FCT project that leads to production procurement has the advantage of avoiding possible RDT&E costs had the U.S. military sponsored the development. Estimating the RDT&E cost avoidance can be accomplished by several methods, including: determining cost to fund a similar U.S. developmental project in the past, asking the vendor how much was spent in developing the product, or using cost-estimating relationships.

C3.8.2.2. Life-cycle cost savings

Many DACP and FCT projects result in reduced life-cycle costs for an end item. Life-cycle savings should be accounted for.

C3.8.2.3. Production costs savings

Non-developmental items can sometimes be less expensive per unit than items in the inventory. These unit cost savings during production should be estimated.

C3.8.2.4. Reductions in fielding time

An item already in production can be fielded with the Armed Forces more quickly than a product developed from scratch. An estimate of the time saved helps quantify the benefit of a DACP or FCT project.

C3.8.2.5. Increased Combat Readiness or Operational Performance

DACP and FCT projects should result in an operational benefit to the warfighter that leads to increased combat readiness or improved operations.

C3.8.3. In general, a DACP or FCT project proposal should be able to demonstrate a benefit in one or more areas. This information is of specific interest to Congress. To better understand these criteria and provide insight into how the proposals are evaluated, Appendix 3 contains a DACP/FCT Proposal Checklist used during the review process to score and evaluate proposals.

C3.8.4. Properly answering the questions in this chapter requires gathering and screening key information. Experience has shown that convening the IPT early in the proposal development process and putting together an accurate and convincing proposal are keys to project success. Efforts expended at the beginning to ensure that all the evaluation criteria are addressed and met increases the likelihood a project will be funded.

CHAPTER 4 PROJECT MANAGEMENT

C4.1. PROJECT MANAGEMENT OVERVIEW. The mission of the DACP and FCT Program is to expedite delivery of equipment to the warfighter while being good stewards of the taxpayers' dollars. The job of a DACP or FCT project manager is to execute an approved and funded project on time and within budget according to law and regulation.

C4.1.1. After a project is selected for funding and funds are disbursed, it is critical for the Project Manager (PM) to implement sound management techniques, continuously communicate with their respective Service CTO, and submit the required reports on time.

C4.1.2. Every project can reap significant benefits to U.S. Armed Forces. Because millions of procurement dollars may be at stake, even small projects can have high visibility in Congress and with other government officials. Congressional committees working with appropriations, foreign affairs, or national security are routinely interested in the DACP and FCT Program. This interest may be manifested in questions about funding, relations with a specific nation, a particular aspect of a project such as compliance with legislation, or concerns about the impact on jobs in the home district. Early and continuous communication will help ensure a project stays on schedule. Service and OSD CTOs will assist by transmitting current information between the DACP or FCT project managers and Congress. Therefore, keeping the Service and OSD CTO abreast of project status if there is an unusual issue is critical.

C4.2. INTEGRATED PRODUCT TEAMS (IPT). The sponsoring organization's project manager shall establish and lead the IPT. There is no one-size-fits-all IPT solution: while one approach might be structured using a single all-inclusive IPT membership, another management approach might contain multiple phases with evolving IPT membership. IPT members may include: project manager and sponsoring organization representatives, Service CTOs, OSD CTO Director and staff, foreign vendor, U.S. ODC or other in-country representatives, weapons certification board representatives, test agency personnel, test range personnel, disclosure office representatives, and other personnel from agencies discussed in Appendix A. (Note: It is imperative that test-scheduling personnel understand the importance and visibility of the DACP or FCT project and why they must help the project manager preserve range time.) An evolving IPT approach with tailored membership could include phases such as:

1. Project conception
2. Project proposal preparation and submittal
3. Project execution (test conduct, data analysis, and evaluation) and reporting
4. Service production procurement

C4.2.1. Regardless of the approach, there are three basic tenets to which any approach shall adhere:

1. The sponsoring organization's Project Manager is in charge of the effort.
2. IPTs are advisory bodies to the Project Manager.
3. Direct communication between the project office and all levels in the oversight and review process is the best way to exchange information and build trust. This may mean including a Service CTO representative if warranted, based on the nature of the IPT. OSD CTO representatives may be invited on a case by case basis if the situation warrants their attendance.

C4.2.2. IPTs are likely to have many members who are often separated by time and distance, which makes physically convening a meeting costly and impractical. A virtual IPT meeting conducted through E-business guarantees the timely dissemination of information to all members of the team. Timely information distribution is essential for avoiding or identifying problems early enough to take preventive action.

C4.3. PROJECT MANAGEMENT ACTIVITIES. While all management activities are important for executing a project successfully (whether or not the item itself passes test and evaluation), activities such as identifying all viable candidates, including domestic items, and identifying the procurement dollars are critical to getting a project approved.

Table C4.T1. PROJECT MANAGEMENT ACTIVITIES

• Proposal Initiation:
- Identify the validated operational requirements document and sponsor
- Identify the procurement dollars
- Conduct a thorough market survey to identify candidate foreign items and potential domestic contenders
- Convene Integrated Product Teams
- Address and plan for Release and Disclosure Issues.
• Proposal Submission:
- Develop the acquisition plan and contracting strategies
- Develop the test plan, including all test activities
- Determine resources and timing
• Project Execution:
- Provide timely quarterly progress reports
- Manage project funds in accordance with approved project plan
- Provide completed test and financial close-out reports
- Prepare and obtain disclosure for close-out briefing and report for foreign government(s) and vendor(s)
- Determine and execute procurement decisions
• Project Reporting

C4.3.1. Project Baselines. DOD 5000.2 states that it is mandatory for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs to establish an acquisition project baseline to document cost, schedule, and performance objectives (desired results) and thresholds (minimum acceptable results) at project initiation. While DACP and FCT projects may not be MDAPs or MAISs, it is OSD CTO policy that a project baseline chart be done prior to funding a DACP or FCT project, and continuously updated throughout the life of the project as parameters change. This Project Chart will be signed by the project manager and will be kept on file at the Service CTO with a copy provided to OSD CTO. A project manager cannot manage a DACP or FCT project and report the status of the project without the regular use of a baseline to assess project progress and project risk.

C4.3.1.1. The project manager shall immediately report through Service CTOs to the OSD CTO Director any deviations from the baseline schedule of more than three (3)

months or ten percent (10%) of the cost as well as any procurement milestone breaches. Before the project manager can make changes to the project baseline, the OSD CTO Director must give approval through the Service CTO focal point (via e-mail is acceptable).

C4.3.2. Financial Management. The OSD CTO Director is responsible for the overall financial management of the DACP and FCT Program. These responsibilities entail issuing funds, requesting data, reprogramming funds, analyzing and reviewing budget estimates and accruals, and reporting to higher authorities including the Office of Management and Budget and Congress.

C4.3.2.1. Types of Funds

Funding provided by Congress to the Department of Defense is allocated in different categories. These different categories of funds have restrictions on their use and length of availability.

C4.3.2.1.1. DACP and FCT funds are Research Development Test & Evaluation (RDT&E) funds that can be obligated over a two-year period. However, Congress and the Department of Defense Comptroller expect all funds to be obligated within the same fiscal year in which they are provided. The Project Chart submitted with the project proposal must reflect this as part of planned execution of the project. This expectation on RDT&E funding is one of the primary reasons why the OSD CTO Director is keenly interested in a sponsoring organization awarding contracts and executing projects on schedule. The sponsoring organization often contributes RDT&E funds as part of the larger effort or for testing domestic contenders to FCT projects. Adequate funding planning should include enough funding to carry a project through the 1st Quarter of the following year.

C4.3.2.1.2. Procurement funds are used to purchase items after a successful DACP or FCT. Procurement dollars are provided to the Services by Congressional action.

C4.3.2.1.3. Operations and Maintenance (O&M) funds are provided to the Services by Congress to support routine operating and maintenance expenditures. In certain situations, a sponsoring organization's O&M funds may be used to procure items after a successful DACP or FCT evaluation.

C4.3.2.1.4. All IPTs shall determine at the earliest possible time the type of funds, in what amounts, and in what years, will be available to procure an item if the item passes testing and demonstrates best value. The project manager shall determine and monitor the availability of procurement funds by PE, Fiscal Year, and amounts programmed.

C4.3.2.2. Budget Formulation

Service CTO representatives are responsible for providing and justifying DACP and FCT proposal cost estimates. These estimates are the basis for development of the CTO Budget. DACP and FCT proposal cost estimates must be sufficiently refined to defend the estimates before their respective review committees, the Office of Management and Budget, and the Congress.

C4.3.2.3. Budget Execution

Within their respective organizations, Service CTOs are responsible for the day-to-day financial operations, management, and control of DACP and FCT funds. These offices have:

1. Responsibility to respond to OSD CTO financial drills to include Continuing Resolution Authority (CRA), Budget Exhibits, Small Business Investment Review (SBIR) tax, and other ad hoc requests
2. Authority to move up to a certain percentage of funds allocated from one project to another project provided that: (1) the project designated to receive the funds existed in the same year as funds being transferred (except no new starts may receive current year funding while a continuing resolution authority (CRA) is in effect), (2) that the amount of funds being transferred into or out of an existing project does not exceed a certain percentage of that project's approved funding level for that year, and (3) notification and justification is provided to the OSD CTO Director. Amounts over the threshold limitation require prior written approval from the OSD CTO Director (via e-mail is acceptable). The value of the certain percentage threshold allowable for reallocation shall be set annually by the OSD CTO Director at his discretion based upon the performance of the Service CTO and the OSD CTO Director's confidence in the Service's performance.
3. Authority to issue approved funding amounts to respective DACP and FCT projects
4. Authority to withdraw project funds for redistribution in accordance with OSD CTO Director guidance (for example for project non-performance)
5. Responsibility to execute budgets with a 100% obligation rate in the year funds are issued and to make an effort to disburse funds in the second and/or third years of the appropriation's life
6. Responsibility to prepare and respond to data calls by the OSD CTO Director
7. Responsibility to perform financial analysis to establish that project managers are obligating and expending funds within approved budgets and to ensure project execution is proceeding satisfactorily

C4.3.2.3.1. An important methodology that assists financial and project managers in carrying out the above responsibilities is variance analysis between spend plans and actual obligations. Such analysis ensures plans are on target, with no loss of funds at year-end and no over-obligation of funds. Please see the below table for OSD Comptroller benchmarks for obligations and expenditures.

Table C4.T1. DDR&E Obligation & Disbursement Benchmark Rates

OBLIGATION & DISBURSEMENT RATES (established by DoD Comptroller)												
FIRST FISCAL YEAR	October	November	December	January	February	March	April	May	June	July	August	September
Obligations	2%	5%	9%	14%	20%	27%	35%	44%	54%	65%	77%	90%
Disbursements	0%	0%	1%	3%	6%	10%	15%	21%	28%	36%	45%	55%
SECOND FISCAL YEAR	October	November	December	January	February	March	April	May	June	July	August	September
Obligations	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%	100%	100%
Disbursements	58%	61%	64%	67%	70%	73%	76%	79%	82%	85%	88%	90%

C4.3.3. Disclosure of Information. During the course of planning, executing, and reporting, all DACP and FCT projects require exchange of information with vendors and government organizations. The project manager must plan for disclosure. Planning should take place early in the proposal process, anticipating what classified and unclassified information

may need to be passed to whom and when (such as a requirements document, test plan, or test report). Also, consider foreign visitor attendance at and participation in test events if applicable, vendor representative-support of the test and evaluation, VIP visits and briefings and release of interim and final test reports to foreign vendors and their government.

C4.3.3.1. The DACP and FCT project manager must obtain necessary approval for transferring information to various entities. By including the disclosure office on the IPT from the beginning, the sponsor project manager can avoid or reduce the delay in sharing U.S. government information. Moreover, special situations can be identified sooner, allowing solutions that are consistent with U.S. government interests and the information requirements of the particular project. In determining what unclassified information to release, the PM should consider:

1. Is the unclassified information already available in the public domain?
2. Has the information been cleared for foreign release by an authorized disclosure authority?
3. Has the unclassified information been previously cleared for public release by the Defense Technical Information Center or other reviewing authorities?

C4.3.3.2. Refer to DOD regulations and local disclosure offices for procedures pertaining to disclosing classified information to foreigners. Asking such questions and setting the stage for unclassified disclosure early in the management process are signs of a project being managed effectively and establishes an environment of trust and cooperation that will maximize opportunities for success.

C4.4. TEST AND EVALUATION. Test and Evaluation is the major control mechanism of the acquisition process. Objective data is gathered to make an informed decision about the tested item's ability to fulfill the requirements and to determine if the item provides best value relative to similar items on the basis of cost and performance. OSD CTO is the authority in OSD for testing and evaluation of DACP and FCT approved projects.

C4.4.1. Test and Evaluation is not a single event but a process conducted in phases, requiring coordination with and participation of the test community. Testing in the DACP and FCT Program is the process of testing the hardware or software for U.S. defense application. Evaluation is the process whereby data are logically assembled and analyzed to aid systematic decision-making.

C4.4.2. The test and evaluation of an item is the responsibility of the Service Program of Record. The selection of test items, test locations, executing test organizations, detailed test procedures, number and types of tests, and Pass/Fail Criteria are determined by the project manager. Once a project has final OSD and Congressional approval, the project manager can not add additional test candidates without going through their respective Service CTO for the OSD CTO Director's approval. The Department of Defense has a keen interest in cost-effective testing, and therefore, both the Service and OSD CTOs review each candidate project for planned cost-effectiveness before funding a project.

C4.4.3. Early vendor participation in the proposal process is essential to avoid unnecessary or duplicative testing. The vendor plays an important role in the formulation of a cost-effective test plan since the advantage of testing and evaluating non-developmental items is in avoiding unnecessary and/or duplicative testing. A vendor whose item is being evaluated has the most complete knowledge about what test and evaluation data are available from the

internal and external developmental efforts and prior host-country tests.

C4.4.4. Test and Evaluation Plan. Testing of items must be sufficient to ensure performance, operational effectiveness, and operational suitability of an item for military application. A tailored test approach leveraging previous testing and operational use of a non-developmental item is necessary if resources are to be conserved. An ideal DACP or FCT Test and Evaluation plan will use all available/acceptable existing test data. Similarly, the plan should seek to validate Pass/Fail Criteria with a minimum expenditure of DACP or FCT funds. This approach reduces the DOD's financial risk by identifying insurmountable problems early in the test and evaluation process. The sponsoring organization's project manager develops the Test and Evaluation Plan, often by tasking a subset of the IPT to develop the plan. These subsets may be referred to as the Test Planning Working Group, Test Integration Working Group, or Test and Evaluation Control Group.

C4.4.4.1. One method of designing a test plan is to devise a traceability matrix that lists all requirements, with their associated objective and threshold values, and traces these criteria to specific test procedures. The approved requirements or capabilities document is a prerequisite for meaningful testing and evaluation. Using a traceability matrix can help the project manager address Pass/Fail Criteria early in the test plan. The plan should:

1. Implement cost-effective testing and evaluation
2. Identify Pass/Fail Criteria and address them early in the testing phases
3. Consider a phased test and evaluation approach, with major decision points
4. Leverage previous and ongoing test and evaluation efforts
5. Include all credible items (both domestic and foreign) in the same timeframe, testing all items to the same criteria

C4.4.4.2. The most current test plan for each active project will be kept on file at the Service CTO. This plan will be reviewed by the OSD CTO Director as part of the project review process, and no testing will take place without a written coordinated test plan.

C4.4.5. Cost-Effective Testing. Too little testing risks not knowing if an item satisfies Pass/Fail Criteria; too much testing wastes money and time; the wrong kind of testing (i.e., developmental instead of operational) risks not understanding the effectiveness and suitability of an item, wastes money and time, and is inconsistent with the intent of the DACP and FCT Program. Cost-effective testing focuses on the right issues, with the right type and amount of testing, in the right sequence, and at the right time and place.

C4.4.6. The Non-Developmental Nature of DACP and FCT—The Right Approach. Only essential testing should be performed. DACP and FCT efforts shall not involve expensive and unnecessary developmental testing for items already in production. Since DACP and FCT projects focus mostly on non-developmental and near-non-developmental items, the proposed test and evaluation approach should logically be operationally oriented. Operational tests are structured to determine performance of the item under realistic conditions. The evaluation determines the effectiveness and suitability of the item against the minimal, acceptable operational performance requirements (threshold values) and those specific requirements designated as Pass/Fail Criteria.

C4.4.6.1. For some items, statutory requirements dictate that certain testing be

done even if data already exists. For example, weapons and munitions must demonstrate a certain level of reliability for safety reasons. While these requirements might be imposed on a non-developmental item, the project manager must still be careful to avoid unnecessary testing.

C4.4.7. Pass/Fail Criteria. Only early testing and evaluation of Pass/Fail Criteria avoids wasting scarce resources. If an item fails to meet Pass/Fail criteria, testing on that item should be halted and the reason for failure carefully reviewed. This review will determine whether to continue the test or remove the item from consideration. In the case of a qualification test, failure of the item to satisfy a Pass/Fail Criteria normally results in termination of the project.

C4.4.8. Testing Competing U.S. Domestic Items (FCT Only). The test plan for an FCT project must test and evaluate credible U.S. domestic contending products. Competing U.S. items must be tested in the same time period to the same test criteria as the foreign items. The sponsoring organization must either fund or secure DACP funding for all costs associated with testing and evaluating U.S. products, as the FCT Program can only provide funding for costs associated with test and evaluation of the foreign items.

C4.4.8.1. The identification of a U.S. contender during the FCT must immediately be brought to the Service CTO's and OSD CTO Director's attention. Early disclosure of a new U.S. contender allows time for the necessary consideration of whether the contender can be a viable candidate. This immediate consideration lessens the likelihood of a U.S. vendor lodging a complaint after a project is completed. When this situation occurs, it results in a dilemma for the contracting officer and can lead to a lost implementation or procurement opportunity.

C4.5. ACQUISITION AND CONTRACTING STRATEGY. Given the DACP and FCT Program's emphasis on implementation and procurement, developing and documenting an acquisition strategy is a key element on the project manager's checklist. The acquisition strategy serves as the road map for project execution, from program initiation through production procurement to post-production support. An acquisition strategy documents the approach a project manager intends to use to acquire or develop an item. A contracting strategy documents the contracting approach to implement the acquisition strategy.

C4.5.1. For the DACP and FCT Program, the acquisition strategy documents the project manager's intents to acquire the test article and the production quantities after a successful evaluation. The contracting strategy documents the contracting method (for acquiring the test articles and the procurement quantities) to support the project manager's acquisition strategy.

C4.5.2. In the same vein, the sponsoring organization identifies the valid requirement and identifies the items (material solutions) for testing under the DACP or FCT Program.

C4.5.3. The Contracting Officer assists the project manager in matching the contracting and acquisition strategies. As the project manager formulates strategies for acquiring both test and production items, there are issues to consider. One is the amount of risk that the vendor is willing to share. For example, will the vendor provide the test items at no/low cost or, if modifications are required prior to testing, make any modifications to the item at no or low cost? Such actions are not only more economical, but signal a cooperative risk-sharing that is a good foundation for success. It is also an outstanding measure of a vendor's confidence in its product.

C4.5.4. In summary, the acquisition and contracting strategy must be complementary. The project manager decides the best approach by answering the following questions and having the facts to support the decision:

1. Is the acquisition strategy and supporting contract approach for test articles consistent with the preferred contracting approach to expedite production implementation/procurement following a successful test?
2. What will the project manager do if a credible contender arises during the execution of the test?
3. Who will prepare the contract?
4. Who will award the contract?
5. Who will administer the contract after award?
6. When will the contract be awarded?
7. What is the contract period of performance?
8. What mechanisms will be used to obtain data rights or intellectual property?
9. How will items be maintained during the test and after implementation or procurement?

C4.6. CONTRACT PREPARATION. Once the acquisition and contract strategies are outlined and test roles and responsibilities are defined, the sponsoring organization's contracting office works with the project manager to structure and award the test contract with all necessary options. The project manager is responsible for preparation and oversight of contracts awarded by the supporting contract office. A vendor should help the project manager during the pre-award phase to provide general pricing and availability information. The fluctuation in Foreign Exchange needs to be taken into account in contract preparation. It is advisable to use U.S. Dollars instead of the native foreign currency. Major command and senior level CTO staff will normally not prepare or manage DACP or FCT contracts.

C4.7. CONTRACT MANAGEMENT. While the sponsor DACP or FCT project manager is responsible for managing the project contract, this task is not done in isolation. The Defense Contract Management Agency provides contract-related services, notably contract administration. Of particular interest to the FCT project manager is the Command's international arm, the Defense Contract Management Agency International (DCMA-I), which acts as the single Contract Administration Service element outside the continental United States for DOD contracts.

C4.8. REPORTING REQUIREMENTS. Reports show whether DACP and FCT projects are progressing satisfactorily and identify problems early enough in the program to take corrective action. OSD CTO will stop funds when failure is inevitable or costs become excessive. Reports not only reinforce accountability and provide status information throughout the life of a project; they also document the results of a DACP or FCT test and are the basis for decisions on production procurements.

C4.8.1. The OSD CTO Director evaluates the success of projects based on reports and will consider past success in managing DACP and FCT Program when prioritizing funding for future programs.

C4.8.2. Quarterly Progress Reports. The Services compile and post quarterly progress reports for each active DACP and FCT project to the BIDS web-based database. These reports are due by the last working day of the month after the end of each reporting period. Project managers should report milestones as they attain them (email is acceptable) without waiting for the quarterly report. Reports should allow managers to identify difficulties in a timely manner to

ensure prompt remedial action. A typical Quarterly Progress Report does not exceed a one-page narrative plus an updated project chart. The format for the Quarterly Progress Report is available in Appendix 4.

C4.8.3. Financial Reports. The Services provide the OSD CTO Director with periodic financial reports, which indicate the funds execution status of each DACP and FCT project. These financial reports provide information for projects authorized in the current fiscal year, as well as the five preceding fiscal years (if applicable). For ongoing projects, the financial information should be reported monthly to the OSD CTO Financial Manager three days prior to the last working day of each month. A funding report format is available in Appendix 5.

C4.8.4. Project Reviews and Annual Kickoff Meeting. The sponsoring organization may be required to present project reviews for selected DACP and FCT projects. Reviews may be requested as part of the annual DACP or FCT Proposal review and approval process. Sponsoring organizations, project managers, and vendors involved in all "new-start" projects approved for the coming year will be invited to attend the Fiscal Year DACP/FCT Program Kick-Off meeting hosted by the OSD CTO Director.

CHAPTER 5 PROJECT CLOSEOUT

C5.1. PROJECT CLOSEOUT OVERVIEW. The underlying goals of the DACP and FCT Program are implementation and procurement. If an item evaluated in the DACP or FCT Program meets requirements and provides best value, there is an expectation that the item will be implemented or procured.

C5.1.1. Procurement funding to purchase production quantities, assuming a successful evaluation, is a critical management issue. The project manager should monitor the status of procurement funding identified in the proposal. Moreover, failure of the sponsoring organization to procure an item after successful test and evaluation and best value demonstration damages our credibility and threatens the two-way street in armaments cooperation.

C5.2. TECHNICAL TEST REPORT AND PROJECT CLOSEOUT REPORT. The sponsoring organization must provide final Test Reports and Closeout Reports to vendors in accordance with the contract. A DACP or FCT project manager's initial planning for the structure of the Test Report must consider release of the information to domestic vendors as well as foreign vendors and governments. By involving the proper experts in up-front planning, the project manager can avoid unauthorized release of classified or sensitive unclassified information or compromise of proprietary information.

C5.2.1. The sponsoring organization will provide Closeout Reports on systems, equipment, and technologies evaluated under the DACP and FCT Program through their Service CTO to the OSD CTO Director. All reports and briefs will address test and evaluation results, focusing on Pass/Fail Criteria and whether the criteria were met. The reports should clearly and concisely show the basis for determining if an item passed the testing and if the item provides best value.

C5.2.2. At the conclusion of each funded DACP or FCT project, the sponsoring organization shall provide a final Closeout Report through the Service CTO to OSD to include as a minimum:

1. A summary of the purpose and overall description of the project
2. Funding provided and expended by fiscal year
3. Results of testing
4. Disposition of test items
5. Any implementation/procurement decisions
6. Contract recipient, location, award dates, and amounts (include Program Element and contract number so the Services can track follow-on procurements)
7. All vendors participating in the test
8. Actual or estimated cost avoidance in research, development, test and evaluation funds, savings in production and life cycle costs, and time saved in fielding items
9. Any U.S. production planned (name and location of U.S. company)

C5.2.3. A Closeout Report format is outlined in Appendix 7. At a minimum, all information in the appendix example needs to be provided. A project can be considered completed when the Closeout Report sent to OSD is accepted as complete and the project manager has provided a Test Report to the foreign vendor. Classified or sensitive U.S. test

data shall be provided to the foreign manufacturers only in strict accordance with U.S. controls. It is important to note that even though a final Closeout Report has been submitted, financial reporting is still required monthly until all funds provided have been fully expended. In addition, any subsequent implementations or procurements must also be reported to the Service CTOs; who will in-turn notify the OSD CTO.

C5.3. CONGRESSIONAL REPORTING AND PROGRAMMING FOR PROCUREMENT. OSD CTO notifies Congress of the intent to obligate funds for new FCT projects. Congress has a 30-day notification period in which they can approve, modify, or disapprove newly nominated projects. For FCT projects, if procurement funding exists for the item, the notification of a new-start project satisfies the requirement for notification to Congress of a new-start procurement. If, however, the Service must reprogram funding for procurement, the reprogramming action must be complete before 30 days prior to the purchase. When this requirement has not been met, the Service must separately notify Congress of the new-start procurement.

C5.4. FOLLOW-ON PROCUREMENT REPORTING. After a project has been closed-out, PMs and Service CTOs are responsible for tracking completed DACP and FCT projects to assess whether the respective item or technology was procured or implemented. Key information required includes date of procurement, quantity and dollar amounts of the total procurement, and program(s) benefiting from the procurement.

C5.5. DACP ANNUAL REPORT TO CONGRESS. The OSD CTO Director must report the status of DACP annually to Congress. OSD CTO prepares the report with input from the Service CTOs. The DACP Annual Report to Congress shows that DACP follows the intent of Congressional legislation. The report highlights technologies tested, funds expended, implementations and procurements resulting from the program, U.S. jobs generated, benefits to readiness of U.S. warfighters, and cost savings realized through the program. The report is a means for the Services to inform Congress of their successes in using DACP as a cost-effective tool for increased readiness.

C5.6. FCT ANNUAL YEAR IN REVIEW REPORT. The OSD CTO Director is not required to report the status of the FCT Program annually to Congress. However, OSD CTO generates an annual report for informational purposes. The FCT Annual Year in Review Report highlights technologies tested, funds expended, implementations and procurements resulting from the program, U.S. jobs generated, benefits to readiness of U.S. warfighters, and cost savings realized through the program. The report is a means for the Services and USSOCOM to document their successes in using the FCT Program as a cost-effective tool for increased readiness.

APPENDIX AP1
PARTICIPANTS AND THEIR RESPONSIBILITIES

APPENDIX AP1

PARTICIPANTS AND THEIR RESPONSIBILITIES

This appendix provides supporting information on roles and responsibilities for the key participants in the DACP and FCT Program and the proposal process. A successful DACP or FCT project depends on coordination among multiple participants. Service CTOs can provide details on participants involved in specific DACP or FCT projects.

Participants in the DACP and FCT Program

<ul style="list-style-type: none"> • CONGRESS • DEPARTMENT OF DEFENSE • Under Secretary of Defense (AS&C) • OSD DACP/FCT Review Committee • OSD CTO/Director • Comparative Testing Offices in the Services/USSOCOM • Component Acquisition Executive • Program Executive Office • User/Warfighter • Sponsoring Organization • Project Manager (Sponsor) • Integrated Product Team • Contracting Officer • Test Organization 	<ul style="list-style-type: none"> • Laboratory • Program Element Monitor • Resource Sponsor • Requirements Sponsor • Systems Command (SYSCOM) • System Program Office (SPO) • Material Developer • Defense Contracting Management Agency • Defense Finance Accounting Service • U.S. Embassy Representatives • Foreign & Domestic Vendors • Foreign Government Organizations • USSOCOM Resource Advisors
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Congress

The Congress authorizes and appropriates the federal budget. In discharging this responsibility with regards to the DACP and FCT Program, Congress exercises both a budgetary and an oversight function. Both programs exist as a result of specific legislation; therefore, the Congress examines the conduct of the programs to ensure they comply with the intent of the law and do not violate Congressional direction. In addition to oversight, Congress approves (or rejects) each project.

Congress:

- Elects to fund all, some, or none of the nominated projects and enacts restrictive legislation that limits or directs the DACP and FCT Program
- Maintains oversight of the DACP and FCT Program and monitors high-visibility projects through appropriation and authorization committees
- Inquires about selected projects
- Monitors the implementations and procurements resulting from the DACP and FCT Program

Department of Defense (DOD)

Within the DOD, major participants include the Office of the Secretary of Defense, the sponsoring organizations, and the users/warfighters. The OSD Comparative Testing Office is administered through the U.S. Department of Defense in the Office of the Under Secretary of Defense for Advanced Systems and Concepts. The OSD Comparative Testing Office provides oversight over Service CTOs and their execution of funded projects.

Under Secretary of Defense (Advanced Systems and Concepts)

For the DACP and FCT Program, the Under Secretary:

- Endorses Final Project selections
- Interacts with senior government and defense representatives on issues relating to the status of projects
- Signs the DACP Annual Report to Congress and the FCT Year in Review Report or forwards it to the Secretary of Defense for signature

OSD CTO Director

The OSD CTO Director is the focal point for DACP and FCT Program matters within the Office of the Secretary of Defense. The Director manages the DACP and FCT Program for the Office of the Secretary of Defense. The CTO Director:

- Establishes and fosters an environment to facilitate successful projects
- Establishes and publishes policy and procedures
- Fosters a Joint approach for the DACP and FCT Program
- Ensures projects are consistent with the policies and principles articulated in DOD Directives and Regulations
- Assesses program status and risk to the user or the user's representative
- Forms a multi-Service team to review project proposals
- Establishes project evaluation criteria
- Briefs and provides recommendations to the Deputy Under Secretary of Defense (Advanced Systems and Concepts) concerning new start proposals and continuing project proposals
- Participates in or supports IPTs
- Organizes and hosts the DACP and FCT Program Annual Kick-Off Meeting
- Directs periodic offsite training meetings to foster Joint cooperation and understanding of the DACP and FCT Program
- Participates in DACP and FCT Program-related diplomatic and Congressional activities
- Approves changes in the project budgets and timelines that exceed baseline thresholds for the Services

Financial duties:

- Prepares the DACP and FCT Program input for the President's Budget submittal
- Justifies funding requests to Congress
- Manages the OSD-level Proposal selection process
- Prepares and coordinates Congressional Notification Packages
- Coordinates the DACP and FCT Program financial activities at the Office of the Secretary of Defense level

Informational Duties:

- Responds to Congressional, media, and international inquiries

- Publishes the DACP Annual Report to Congress
- Publishes the FCT Program Annual Year in Review Report
- Briefs Congress, foreign embassy representatives, and others, as necessary, on the status of the DACP or FCT Program
- Ensures the Services properly close out each project, financially and technically
- Assists information exchange within the DACP and FCT communities
- Educates and updates the DACP and FCT communities on acquisition and policy matters affecting the program
- Educates the DOD Acquisition community about DACP and FCT
- Educates foreign governments and foreign vendors about DACP and FCT
- Leads and assists sponsoring organizations in the effort to identify candidate items for testing under the DACP or FCT Program

OSD DACP/FCT Review Committee

This committee consists of representatives from OSD and the Joint Chiefs of Staff with particular functional expertise. The Committee:

- Evaluates DACP and FCT proposals in accordance with established criteria
- Recommends proposed Service projects for funding
- Provides advice to OSD CTO Director

OSD DACP/FCT Program Review Committee – Organizations Represented

Deputy Under Secretary for Policy-Requirements & Plans	Under Secretary for Advanced Systems and Concepts
Joint Staff (J8) – Force Structure, Resources, and Assessments	- Defense Procurement
Assistant Secretary for Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR)	- Interoperability
Deputy Under Secretary for International and Cooperative Programs	- Defense Threat Reduction Agency – Chem/Bio
Director, Operational Test and Evaluation	- Science and Technology
Assistant Secretary of Defense/Special Operations and Low Intensity Conflict	- Strategic and Tactical Systems Directorate
	- Air Warfare
	- Land Warfare
	- Naval Warfare
	- Electronic Warfare
	- Munitions
	Service Representatives

U.S. Embassy Representatives and Offices of Defense Cooperation (ODC)

Various DOD organizations have representatives overseas. These representatives, such as ODCs, Defense Attaché offices, Air Force Liaison Offices, and Army Research, Development, and Standardization Groups are often located in or near U.S. Embassies. They are uniquely positioned to interact with foreign vendors and foreign government organizations concerning the DACP and FCT Program. The in-country representative:

- Provides information regarding U.S. requirements and acquisition programs to the host country
- Informs host country government and industry representatives about how the DACP and FCT Program operate
- Serves as interface for Government-to-Government, Government-to-Industry, and U.S. industry-to-host country industry contact and coordination, including visiting foreign vendor sites to monitor project status, witness testing, or helping to resolve host country concerns
- Serves as IPT members when requested
- Identifies DACP and FCT Program opportunities to the CTO representatives
- Provides language assistance

Domestic/Foreign Vendors and U.S. Partners

Vendors with non-developmental and near-non-developmental items should consider the DACP and FCT Program as ways of introducing their product(s) to the U.S. defense market. In determining which program to pursue, vendors should consider that whereas the heart of the FCT Program lies with the foreign vendor's products, the DACP focuses primarily on domestic (U.S.) defense businesses.

However, U.S. vendors can also be involved in the FCT Program either as teaming partners for foreign vendors or as domestic competitors. As a teaming partner, the U.S. vendor acts in conjunction with the foreign vendor. A U.S. competitor in a comparative test has the same responsibility as the foreign vendor. However, the sponsoring organization must either fund or secure DACP funding for the test and evaluation of the domestic product.

Furthermore, while there is no legal requirement for U.S. production of foreign items within the FCT Program, one avenue foreign vendors might pursue to strengthen their marketing efforts is industrial teaming. A teaming arrangement can include work sharing or perhaps U.S. production of a foreign-developed item under license. Teaming can lead to long-term industrial relationships and provide both partners a presence in the international market and is highly encouraged.

To enhance participation in both the DACP and FCT Program, vendors may market their products at trade shows and present their products to potential users. Vendors also should watch for Requests for Information, Requests for Proposals, and Sources Sought Notices on FedBizOpps to identify opportunities where their non-developmental item could be applied to a Service need. FedBizOpps is available on the World Wide Web at <http://www.FedBizOpps.gov/>.

The vendor:

- Monitors the FedBizOpps for Broad Agency Announcements, Requests for Information, Requests for Proposals, and Sources Sought Notices pertaining to their products
- Brings world-class products for DACP and FCT Program consideration to the attention of Services or U.S. representatives
- Provides information to the sponsoring organization's DACP or FCT project manager as IPT participants
- Informs the sponsoring organization's project manager about existing test and evaluation information and data on their products
- Markets products to the user
- Informs the sponsoring organization's project manager about existing contracts that might already be in place to obtain test articles

- Provides pricing and availability data
- Understands avenues other than the DACP or FCT Program for selling items to the DOD
- Assists in the test plan development, conduct, and evaluation
- Looks beyond the DACP or FCT Program' effort and focuses on the production/implementation/procurement phase

APPENDIX AP2
CTO PROPOSAL FORMAT

Comparative Testing Office (CTO) Defense Acquisition Challenge Program (DACP) and Foreign Comparative Testing Program (FCT) Proposal Format

General Guidelines:

Please check whether your proposal request is for consideration for DACP and/or FCT funding:

☐ DACP ☐ FCT

For Vendors: Please fill in as much of this format as you can. For the Draft Proposal, this Cover Page and Sections 1, 2, 7a,c, and 9 must be completed as a minimum to initially assess the merit of your proposal and whether it falls within the scope of DACP or FCT Program. Once your draft proposal has been accepted you will be linked to a PM who will work with you to develop and ultimately submit the final proposal on behalf of the program of record.

For US Government PM's: Please complete as much as possible for the draft proposal. For the Draft Proposal, Sections 1, 2, 7, and 9 must be completed as a minimum to initially assess the merit of your proposal and whether it falls within the scope of DACP or FCT Program. The final proposal needs to have all applicable fields completed.

Project Title:

Document Identifier Number:

Submitter Information

Name:
Title/Position:
Organization:
Phone Number:
E-mail Address:

As of date:
Lead Service:

Please use the most current version of this format. Please note that at a minimum a completed *Project Chart* and *Quad Chart* are required with all Final Proposal submissions along with any letters of endorsement. For answers to questions concerning filling out this form you can call and talk to the Service DACP/FCT focal points.

TECHNICAL AREA

1. Proposal Type.

A draft proposal is for early notice of a potential submission but does not commit the sponsor. A final submission must be fully coordinated and is a formal request for funding.

☐ Draft

☐ Final

If a similar proposal was submitted to CTO in the past, mark 'resubmission' and give details of the previous submission.

☐ Re-submission. If so, enter the following from the original submission:

Title:
Year:
Sponsoring organization:

2. Project Description.

a. **Proposal Name**. Provide a short descriptive title. Please **do not** use the vendor's product name.

--

b. **Document Identifier Number**. Generated from web-based BIDS submission.

--

c. **Project Description**.

(1) Provide a 3 to 4 sentence description of the product, technology, or process that will be used to inform Congress about this effort.

--

(2) Provide additional information as necessary to the Program Director and the Review Committee in determining the project's merit; i.e. operational benefits, increased performance, etc. Continue on attached sheet if necessary.

--

d. Candidates Items: Indicate Number of:

Foreign candidates identified: _____ U.S. candidates identified: _____

List all candidate items to be evaluated. Indicate country or state of origin, vendor, item name, development status (NDI, prototype, in production, fully developed but not in production, etc.), and associated Technology Readiness Level (TRL) (see TRL Scale). TRL of less than 6 will be referred to a research organization and not pursued under the CTO.

Country/State	Vendor	Item Name	Development Status	TRL

TRL	Technology Description
1	Basic Principles Observed and Reported
2	Technology Concept and/or Application Formulated
3	Analytical and Experimental Critical Function and/or Characteristic Proof-of-Concept
4	Component and/or Breadboard Validation in Laboratory Environment
5	Component and/or Breadboard Validation in Relevant Environment
6	System/Subsystem Model or Prototype Demonstration in a Relevant Environment
7	System Prototype Demonstration in an Operational Environment
8	Actual System Completed and "Flight Qualified" Through Test and Demonstration
9	Actual System "Flight Proven" Through Successful Mission Operations

e. Current Use. Indicate for funded candidates if the item or a variant is in current use. List where and how item is in use; if no, explain why.

Item Name	In use?	Where and How?

3. Requirement/Justification.

- a. **Validated or Approved Requirement:** (UNS, MNS, ORD, ICD, CDD, CPD) ☐ Not Applicable

Title:
Number:
Classification Level:
Date Signed:
Signed by:
<div style="margin-left: 40px;">Name & Grade/Rank:</div> <div style="margin-left: 40px;">Title/Position:</div> <div style="margin-left: 40px;">Organization:</div>

- b. **Other** (Explain, i.e. Requirement statement is in draft, new technology, new process)

--

- c. **Program of Record:** (POR or Weapon Prime)

Government Program Office:
Name of Contact:
Address:
Telephone Number:
Fax Number:
Email Address:

4. Contracting/Sponsoring Organization Information.

- a. **Contracting/Sponsoring Organization.** Check the organization responsible for contracting this project.

Project Lead. If joint, mark multiple organizations as needed and identify lead. (Lead point of contact information will be listed in sponsor PM block.)

Joint project lead service/organization:
--

- ☐ Army

 ☐ Navy

 ☐ Air Force
☐ USSOCOM

 ☐ Marine Corps

 ☐ Other Applicable Programs:

- b. **Contracting/Sponsoring Project Manager information.**

Name & Grade/Rank:
Title/Position:

Organization:
Phone Number:
E-mail Address:

- c. **Joint Project Agreement.** If there is multiple interest and/or support, have sponsoring and participating organizations agreed on the requirement to be satisfied by a joint project?

☐ Yes. Identify joint MOA or other document that participating sponsor organizations have signed.

--

☐ No. Sponsoring Organizations have not agreed on a joint requirement. Explain:

--

☐ Not Applicable

5. Market Investigation. PM's please address a & b; vendors address b only:

- a. **Federal Business Opportunities (FedBizOpps) Announcement.** (Required - attach copy)

Type of announcement (RFI, RFP, BAA, etc.):
Announcement Title:
Date of FedBizOpps announcement:
"Respond by" date in FedBizOpps announcement:

- b. **Other Market Investigation.** PM's please list other actions that have been accomplished or are scheduled to be accomplished. **Vendors** please list your competition.

--

6. Intellectual Property Rights. Discuss the restrictions and costs related to any intellectual property rights that may impact the procurement of the technology discussed in the proposal.

--

COST AND FUNDING AREA

7. Project Funding for Testing.

a. CTO Funding Requested.

(1) **FCT Funding Requested.** By year and total:

☐ Not Applicable

	FY __	FY __	FY __	FY __	FY __	Total
Dollars (\$K)	\$	\$	\$	\$	\$	\$

(2) **DACP Funding Requested.** By year and total:

☐ Not Applicable

	FY __	FY __	FY __	FY __	FY __	Total
Dollars (\$K)	\$	\$	\$	\$	\$	\$

b. Contracting/Sponsoring Organization Contribution for Testing.

(1) **Funding of Project Candidates.** Is the contracting organization contributing resources to this project, i.e., funding TDY trips, buying test items, paying for management and administrative support, etc.? (**FCT money cannot be used to acquire or test competing U.S. items.**)

Estimate the total amount by year:

PE Amount	FY __	FY __	FY __	FY __	FY __	Total
Dollars (\$K)	\$	\$	\$	\$	\$	\$

What is the sponsor contribution going to be used for?

--

☐ No sponsoring agency funding will be provided to test and evaluate the item(s).

Identify amount by FY in PE to fund testing of domestic contender(s) in the FCT:

PE Amount	FY __	FY __	FY __	FY __	FY __	FY __
Dollars (\$M)	\$	\$	\$	\$	\$	\$

PE title:

PE number:

PE Manager Name and Grade/Rank:

PE Manager e-mail address:

c. Contracts to be Funded with DACP/FCT Funds.

Contracts. List all anticipated contract awards or other procurement methods used to implement this test: vendor(s) name, estimated dollar amount of contract award(s), product(s) to be provided, and services to be provided.

Foreign/ Domestic	Vendor Name	Total Contract Amt (\$)	Amount for Test Articles (\$)	Amount for Vendor Services (\$)

8. Follow-on Procurement Funding**Contracting/Sponsoring Agency Program Element for production procurement(s).**

Has a program element (PE) number been identified to fund procurement of DACP/FCT item(s)?

☐ Yes. (Fill in the boxes below and identify the PE information):

POM Number Referenced:
The PE Title:
PE Number:

	FY __	FY __	FY __	FY __	FY __	Total
Dollars (\$M)	\$	\$	\$	\$	\$	\$

☐ No. A PE or project line does not exist to fund procurement at this time. (Please explain how procurement funding will be obtained, given this situation).

--

9. Benefit and Savings Estimate.

a. Tangible/Intangible Benefits. Describe in general the tangible and intangible benefits of conducting this test. Benefits can include specifics such as cost savings or avoidance, early fielding to satisfy urgent requirements, increased performance of a weapon system or intangibles such as potential lives saved, competition to existing sole source suppliers, etc.:

(1) Performance

(2) Affordability

(3) Manufacturability

(4) Operational Capability

b. Cost savings and Methodology.

(1) RDT&E Cost avoidance (if applicable): \$ _____

If the U.S. Government were to develop this item, estimate how much it would cost. Do not deduct the cost of doing the FCT/DACP. Describe the method used to estimate RDT&E savings:

(2) Manufacturing Savings (if applicable): \$ _____

Briefly discuss and show mathematical analysis used to estimate the Manufacturing Savings in time and cost as a result if process or technology is implemented:

(3) Savings in Procurement costs (if applicable): \$ _____

Estimate savings in per unit cost if item is procured for production. Describe the method used to estimate procurement savings:

(4) Operations and Support Life-Cycle savings (if applicable): \$ _____

Estimate the savings in operations and support costs over item's life cycle. Predict the # of years the item will be in use following procurement. Describe the method used to estimate O&S savings:

PROJECT MANAGEMENT AREA

10. Test and Evaluation.

a. Acquisition of Test Items.

(1) Describe the acquisition strategy to acquire test articles for the test phase. Include how the test articles will be acquired (no cost loan, lease, purchase, etc.), contract strategy (sole source, letter contract, etc.), the contract management approach (local contract office, DCMA-I, Other), and the item maintenance concept (separate support contract, U.S. representative, U.S. with spare parts) during the testing period.

Test Item Acquisition Strategy:
Test Item Contract Strategy:
Contract Management Approach:
Test Item Maintenance Concept:
Estimated Test Item Quantities & Unit Cost:

(2) Did Vendor(s) give cost estimates for providing their items?

☐ Yes. ☐ No. ☐ Written price & delivery schedule is available.

(3) Purchasing Test Items. If approach for acquiring test articles is to purchase the items, has the vendor(s) been asked if they are willing to provide test article(s) at no cost or through lease (as part of vendor's risk sharing participation in this project)?

☐ Yes, vendor and/or foreign government have been asked.

☐ No, discussion concerning no cost loan or lease of test articles has not occurred.

(4) Additional explanation: (Add any other information that would be helpful in understanding the testing phase acquisition.)

--

b. Integration. Is integration, modification or adaptation required before the item(s) can be tested or fielded within DoD? Will U.S. doctrine or tactics have to be changed before fielding? Does this project involve the testing or modification of software? Will this project disrupt the current POR by delaying the test schedule or increasing costs?

☐ No, to all questions.

☐ Yes. (Explain what needs to be done, how it will be done, and who will do the work. Predict disruption to the current POR's test schedule and any increase in costs. How much will integration cost, and who will pay the integration costs? Are integration costs reflected on the project chart?)

--

c. Existing Data Request. Has test and evaluation data been requested and received for the test item(s)?

☐ Yes. From whom and when:

Has data been received and validated? How will it be used?

☐ No. Explain why not:

d. Technical Testing. Identify type & nature of technical and safety testing to be performed.

e. Operational Testing. Is an operational test to be done?

☐ Yes. By who?

☐ No. Explain why:

f. Pass/Fail Criteria (Pass/Fail Criteria). Have Pass/Fail Criteria been identified by the user with Pass/Fail Criteria?

☐ Yes. (Attach list of Pass/Fail Criteria) ☐ No. When will Pass/Fail Criteria be identified?

g. Test Plan. Has draft Test Plan been prepared?

☐ Yes. ☐ No. Will be finalized upon project approval.

h. Test Phases. Identify the test phases and describe the major test events and milestones during the evaluation

- 11. Acquisition/Procurement Strategy of Production/Fielded Item.** Describe the acquisition strategy to acquire the item after the testing is completed assuming item met requirements. Provide contract strategy (Kaminski Approach, sole source, full and open competitive solicitation, etc.), estimated unit costs and unit quantities to be procured and the planned logistic support strategy. **Note: If the Acquisition Strategy for multiple vendors varies for each, provide information for each vendor as a separate attachment.**

Production Acquisition Strategy:
Production Contract Strategy:
Estimated Production Item Quantities & Unit Cost:
Production & Fielding Logistics Support Strategy:
Projected Decision Date for Acquisition of Technology/Product:
Projected Fielding Date for Technology/Product:

12. Points of Contacts

- a. User Advocacy.** Identify the senior most user/operator advocate. Attach Letters of Endorsement.

Name & Rank:
Title/Position:
Organization:
Phone Number:
E-mail Address:

- b. PE Manager/Champion.** Provide name, rank, position, and organization of the most senior official who has agreed to support procurement if testing is successful. Attach correspondence if appropriate.

Name & Rank:
Title/Position:
Organization:
Phone Number:
E-mail Address:

- c. Key Integrated Product Team Points of Contact.** Provide e-mail address and commercial phone numbers for key individuals. Add others as appropriate.

Project Manager (Sponsor):
Project Manager(s) (Vendors):
Requirement POC:
Program Executive Office:

Project Financial Manager Representative:
First O6/SES/ Flag Officer government sponsor in Project Manager's Chain of Command:
Test and Evaluation Coordinator/POC:

13. Issues. List all. For example: political impacts, Congressional interest, U.S. production base concerns, past history, 'Buy America' Acts, offset arrangements, etc.

14. Impact if Not Approved. Discuss the impact to the warfighter/user if this proposal is not approved.

15. Attachments.

Required for Draft Proposal Package

Enclosure 1: Quad Chart

Required for Final Proposal Package

Enclosure 1: Quad Chart

Enclosure 2: Project Chart

Enclosure 3: Federal Business Opportunities (FedBizOpps) Announcement

Enclosure 4: Letter of Endorsement (Flag-Level encouraged)

Enclosure 5: Pass/Fail Criteria (include Pass/Fail Criteria)

Other: Additional letters of support and other pertinent information may be included

APPENDIX AP3
CTO PROPOSAL CHECKLIST

OSD CTO Procedures Handbook for FY06 Cycle

Project Title			Overall Grade - Circle One
Country/State			Blue
Manufacturer			Green
Service	Army NAVAIR NAVSEA SPAWAR USMC Air Force USSOCOM CBD		Yellow
Joint Project		Circle one YES/NO	Red

Please complete one per each proposal review.

Rate each criterion below according to the prescribed color scheme.

Color	Description
Blue	Exceeds requirements
Green	Meets all requirements
Yellow	Questionable- May be deficient; further discussion is needed
Red	Deficient- Deems entire proposal as unacceptable

Proposal Section	Criteria	Initial Grade	Lead Reviewer Grade	OSD Analyst Grade
2c(2); 9a(4)	Operational Benefit to the Warfighter Blue = Significant immediate benefits Green = Moderate immediate benefit Yellow = Some benefit but not critical Red = Detrimental			
2d	Origin (Country/ State) Blue = Strong ally or U.S. State Green = Active NATO or friendly & reliable Yellow = Neutral countries Red = Opposed to US policy & position in world; Restricted countries			
2d	Technology Readiness Level Blue = In production/fielded- no/minor modifications (TRL=9) Green = In production- not fielded (TRL=8) Yellow = Entering production- modifications needed; TRL = 7 by the completion of testing Red = Prototype; TRL < 7 by the completion of testing			
3	Valid Requirement Blue = Signed formal requirements document Green = Formal requirements document in approval process, or a System Program Director sponsor identified Yellow = Formal requirements document in draft Red = No formal requirements document			
4	Program Potential Blue = Multiple programs and/or Joint project Green = One program Yellow = Not clear Red = No program link			
5	Market Investigation Blue = FedBizOpps completed, procurement addressed in FedBizOpps Green = FedBizOpps to be completed prior to project selection, candidates identified within the year of project start Yellow = Market investigation completed- more than 12 months old Red = No Market investigation done			

OSD CTO Procedures Handbook for FY06 Cycle

Proposal Section	Criteria	Initial Grade	Lead Reviewer Grade	OSD Analyst Grade
6	Intellectual Property Rights Blue = No restrictions to US and no costs associated (release signed) Green = Acceptable restrictions and acceptable costs (clear path) Yellow = Restrictions and costs are significant (negotiations needed) Red = No clear path on Intellectual Property Rights			
7a	Number of years OSD funding requested Blue = 1 year funding Green = 2 years funding Yellow = 3 years funding Red = More than 3 years funding			
7a	Percentage of project funded in the first year Blue = 100%, no follow-on funding required Green = Balanced approach which matches activity Yellow = Funding request does not match activity schedule Red = N/A			
7b	Sponsor Funding of Total Project Cost Blue = 51% and above Green = 21-50% Yellow = 0-20% Red = N/A			
Project Chart	Project Schedule Blue = Testing completed within 1-2 years Green = Testing completed within 3 years Yellow = Testing completed within 3-5 years Red = Testing exceeds 5 years or the test schedule is unattainable			
8; Project Chart	Number of years until procurement Blue = Less than 1 yr after completion of testing Green = 1-2 yrs after completion of testing Yellow = More than 3 years after completion of testing Red = Indeterminate			
9a	Advantages to the U.S. Blue = Significant Cost Schedule & Performance (CSP)/Return on Investment (ROI) (150%+) Green = High Cost Schedule & Performance (CSP)/Return on Investment (ROI) (50%+) Yellow = Moderate CSP/ROI Red = No advantage			
9b(4)	Number of years item will be in use after fielding Blue = More than 10 yrs after fielding Green = 5-10 yrs after fielding Yellow = 3-4 yrs after fielding Red = Less than 2 yrs after fielding			
10a	Cost Effective Test Approach Blue = Supplier making significant contribution and item/test costs are acceptable Green = Item and test cost/risks are acceptable Yellow = High item and test costs/risks Red = Extremely high item and test costs/risks			

OSD CTO Procedures Handbook for FY06 Cycle

Proposal Section	Criteria	Initial Grade	Lead Reviewer Grade	OSD Analyst Grade
10c	Availability of Test and Evaluation Data Blue = T&E data exists and will significantly reduce test schedule and/or costs Green = T&E data exists and will moderately reduce test schedule and/or costs Yellow = Some or no data exists that may be useable; awaiting data to arrive Red = N/A			
11	Acquisition Strategy- Procurement for Deployment Blue = Kaminski Approach proposed (production options in the test article contract) Green = Follow-on procurement will be an option on another contract that is already in place Yellow = Contract for procurement is not in place, but acquisition strategy approved for future contract Red = No follow-on procurement strategy			
11	Procurement Potential Blue = Significant procurement potential and dollars Green = High procurement potential and dollars Yellow = Low-Moderate procurement potential and dollars Red = No procurement potential and dollars			
See attached LOE's	Letter of Endorsement Blue = Signed Letter of Endorsement from Flag Level Officer/Program Director (Acquisition official who oversees the Program Element) with intent to procure Green = Letter of Endorsement from Flag Level Officer/Program Director (Acquisition official who oversees the Program Element) with support for proposal Yellow = Letter of Endorsement from SYSCOM-PM level sponsor or lower with support for proposal Red = No Letter of Endorsement			
12c	Integrated Product Team Blue = N/A Green = All key IPT members identified Yellow = Partial or incomplete IPT compiled Red = No IPT			
14	Impact if Not Approved Blue = Significant negative impact Green = Moderate negative impact Yellow = Little negative impact Red = No negative impact			
General Info	Gov't Org./Program Office Past Performance Blue = No Cost Overruns or Schedule Delays; follows through on procurement plans Green = Minor Cost Overruns or Schedule Delays (less than 2 Qtrs); follows through on procurement plans (meets contract, nothing extra) or No history Yellow = Considerable Cost Overruns or Schedule Delays (2-4 Qtrs); does not follow through on procurement plans Red = Significant Cost Overruns or Schedule Delays (>4 Qtrs); does not follow through on procurement plans			

OSD CTO Procedures Handbook for FY06 Cycle

Proposal Section	Criteria	Initial Grade	Lead Reviewer Grade	OSD Analyst Grade
General Info	Vendor Past Performance Blue = Delivers Early, under budget, follows through on production ramp-up Green = Delivers on time, under budget, works, follows through on production ramp-up or No history Yellow = fails on cost or schedule or performance in past, does not follow through on production ramp-up Red = fails on two or more criteria; does not follow through on production ramp-up			
General Info	Is this a good idea? Blue = Proud to see this in the Washington Post Green = Commander would give this an adequate performance rating Yellow = Already writing up the defense for selecting this proposal Red = No way this should be selected at any cost			
	Overall Grade			

Reviewer's Comments, Summary, Questions, Issues

For example: No requirement, market investigation not yet completed, item does not meet Technology Readiness Level standards, project seems to involve high-risk software engineering/high integration costs, no letter of endorsement, low return on investment, project is premature. Recommend disapproval at this time or resubmit when proposal is more fully developed and all criteria can be satisfied.

APPENDIX AP4
QUARTERLY PROGRESS REPORT FORMAT
AND EXAMPLE

QUARTERLY PROGRESS REPORT *for [Time Period]*

Project Title: List project name (use same name as approved DACP/FCT Proposal).

Candidate(s): List name of candidate(s), contractor, and country/state of origin.

Sponsor: U.S. <Service & organization> list sponsoring organization that is executing project, POC name and commercial phone number. Two-line maximum, a full address is not needed.

Project Manager: (Name, phone number, e-mail)

Accomplishments During the Last Reporting Period:

- State what was accomplished in the reporting period just ended.
- Address any milestone events.
- Do not repeat historical information from previous reporting periods or descriptive project information.
- Moderate use of common acronyms is acceptable.
- Use bullet statements.

Planned Actions in the Next Reporting Period:

- State what is planned for the next reporting period.
- Use bullet statements.

Issues:

- Identify and discuss issues to be resolved to allow/enhance procurement potential, state what actions PM is taking
- Identify issues requiring higher HQ help. Identify any potential concerns.
- Identify and discuss cost growths or scheduled delays.
- Highlight any proposed changes to the project baseline.
- If no issues, so state.

Procurements:

- Projected or actual procurements in quantity and dollar amount

Limit Quarterly Progress Reports to one text page plus a baseline project chart annotated with current project status information.

The project chart should be updated as of the end of the reporting period. Funding actions and completed milestones for the period should be clearly indicated.

EXAMPLE

QUARTERLY PROGRESS REPORT

for 4th Quarter FY 96

Project Title: Less Than 3Kw Generator Set

Candidate: 2Kw 60 Hz Military Tactical Generator Set; Mechtron Energy System, Ltd.;
Canada

Sponsor: U.S. Army Project Manager Mobile Electric Power (PM MEP), AMCPM-MEP,
LTC Army Guy, phone

Project Manager: (Name, phone number, e-mail)

Accomplishments During the Last Reporting Period:

- The first option of the sole source contract was exercised for the LT3Kw Gen Set (Mechtron Energy System, Ltd., Canada) and consisted of XXX each 2Kw 60 Hz Military Tactical Generator (MTG) Sets (contract #provide number). Delivery of the first production lot and Interim Support Items List components was received in September. Production deliveries will continue through March 1997.
- This first option will equip the Force Package #1 Users with the Mechtron 2Kw MTG Sets beginning by 2QFY97. Fielding and Fielding Briefings began in September at Fort Hood and Fort Bragg.
- New Equipment Training (NET) and Instructor & Key Personnel Training (IKPT) were conducted by Mechtron in July at the Aberdeen Test Center, APG, MD.

Planned Actions in the Next Reporting Period:

- Fielding will continue at all scheduled sites.
- This is the last Quarterly Progress Report to be submitted on this project.

Issues:

- None.

Procurements:

A total quantity of over XXXX sets could be procured under this multi-year contract over five ordering periods if all options are exercised.

APPENDIX AP5
PROJECT FINANCIAL SUMMARY REPORT FORMAT AND EXAMPLE

CTO FINANCIAL SUMMARY REPORT. Monthly Financial Summary Report: This report covers the current, prior, as well as five previous fiscal years and gives the funding provided, Service allocation, commitments, obligations, and disbursements. The summary lists cumulative totals per fiscal year for the last five fiscal years.

For ongoing projects, the following financial information should be reported monthly to the CTO Financial Manager by the Services three days prior to the last working day of each month. These will be the actual amounts for actions accomplished. Figures may be negative to indicate withdrawals or reprogramming in the quarter that it occurs. The percentage of funds obligated to received, and expended to received, should be included.

- **Funds Requested:** List amounts requested for project by fiscal year. These should match the funding plan quarterly breakout.
- **Funds Provided:** List amounts authorized by DOD and programmed by the managing Service activity. These should match the actual OSD disbursements in current and previous fiscal years.
- **Service Contribution:** If other than DACP or FCT funding will be used for this project, list by year. State the source (such as a given PE) and what the funding will be used for in the quarterly report.

The three items in the next section are reported by fiscal year of the DACP or FCT funds provided. List, by quarter, the amounts committed, obligated and expended in that quarter. Figures may be negative. Being historical data, past quarters once reported needs no change.

- **Committed:** amount distributed and issued to this project. For the purposes of this report, funding need not be de-committed when obligated.
- **Obligated:** amount charged by contract award, reimbursable project order, approved travel orders, or similar instrument.
- **Expended:** amount disbursed, costed or accrued. Accruals must reflect actual cost data.

Notes may be added to project chart as required if milestone actions or financial categories are not adequately explained by accompanying narrative.

CTO FINANCIAL SUMMARY REPORT FORMAT

Sponsoring Organization: U.S.
 Period of Report: MM/DD/YYYY
 Year of Funds: FY

<u>Project Name</u> ¹	<u>DOD Funding Provided</u> ²	<u>Service Committed</u> ³	<u>Service Distributed</u> ⁴	<u>Service Obligated</u> ⁵	<u>Service Expended</u> ⁶
Project A	1,000,000.00	900,000.00	500,000.00	500,000.00	432,432.10
Project B	1,500,000.00	1,600,000.00	1,500,000.00	1,000,000.00	987,654.32
Totals ⁷	2,500,000.00	2,500,000.00	2,000,000.00	1,500,000.00	1,420,086.42

Sample data for demonstration only.

¹ List projects by same name used in the Quarterly Progress Report.

² List, by project, funding provided based on individual service proposal/current DOD allocation.

³ List, by project, the funds available to the project management office for ultimate execution.

⁴ List, by project, total funds distributed pending obligation.

⁵ List, by project, total funding accepted by activities for performance of services or products, contractual or in-house.

⁶ List, by project, total amount of reimbursable billings and contract payments disbursed, costed or accrued. Accruals must reflect actual costs incurred.

⁷ Totals for projects shown.

Note: All amounts listed shall be cumulative for the applicable fiscal year as of the end of the reporting period.

Periodic Financial Report Example: U.S. Army FCT

Data As of Jan 31 FY00

Data as of 30 Jun 00

FY96 FCT Funding Status

Project Name	DOD Provided	Service Committed	Service Distributed	Service Funds %	Service Obligated	%	Expended	%	*
IME Support	250,000.00	388,584.66	388,584.66	100	388,584.66	100	388,584.66	100	
FCT TDY Spt	0.00	7,274.19	7,274.19	100	7,274.19	100	7,274.19	100	
Auto Chem Agent Alarm	889,000.00	1,011,486.47	1,011,486.47	100	1,011,486.47	100	399,388.48	39	A
JRAAWS Ammunition Upgrades	1,886,000.00	1,681,000.00	1,681,000.00	100	1,681,000.00	100	415,417.87	25	B
IM Hellfire Missile Motor	900,000.00	1,199,945.00	1,199,945.00	100	1,199,945.00	100	0.00	0	C
Metallic Mine Detector	1,780,000.00	1,780,000.00	1,780,000.00	100	1,780,000.00	100	1,775,131.49	100	
Standard Advanced Dewar Assembly II	130,000.00	264,981.00	264,981.00	100	264,981.00	100	115,576.62	44	
One Watt Linear Drive Cooler	101,000.00	101,000.00	101,000.00	100	101,000.00	100	0.00	0	
Improved Ballistic Armor Grille	350,000.00	245,000.00	245,000	100	245,000	100	2,710.47	1	
1.75w Linear Drive Cooler	0.00	246,200.00	246,200.00	100	246,200.00	100	0.00	0	
Standard Adv Dewar Assembly I	710,000.00	652,000.00	652,000.00	100	652,000.00	100	0.00	0	
Cordless Commo f/Combat Crewmen	245,000.00	229,381.52	229,381.52	100	229,381.52	100	45,224.13	20	
Russel Contract	0.00	100,000.00	100,000.00	100	100,000.00	100	100,000.00	100	
Universal/Precision Time Mortar Fuze	725,000.00	59,147.16	59,147.16	100	59,147.16	100	58,725.15	99	
TOTAL	7,966,000.00	7,966,000.00	7,966,000.00	100	7,966,000.00	100	3,307,973.06	42	-

A -ACADA: FedBizOpps billings very slow through the SOMARDS accounting system

B - RAAWS/SADA II/1w LDC: Slow Contract billings

C-IM Hellfire: Contract awarded Feb 97

APPENDIX AP6
PROJECT CHART FORMAT AND EXAMPLE

PROJECT CHART FORMAT

OVERVIEW

The Project Chart is a key management tool for submission of new projects and reporting progress of current projects. The project chart provides a means of monitoring performance and costs. The chart contains, on a single page, the planned and accomplished project actions, the funds execution plan, and the overall fiscal status.

DEFINITIONS

Project Chart: The one-page format lays out the project milestones, funding/obligation plan, expenditures, and status. It is a mandatory part of the proposal and quarterly progress reports.

Current Project Chart: Shows current status of the project and will include completed milestones, current Service contributions, DOD authorizations, obligations and expenditures. This updated project chart is required for Quarterly Progress Reports, continuing, and new-start projects.

PROJECT CHART

DOD 5000.2 states that every acquisition program shall establish an acquisition program baseline (APB) to document the cost schedule, thresholds, and objectives of that program beginning at program initiation. The Project Chart is our APB and contains three sections to enable easy correlation between actions or events (milestones), funding requirements, and actual financial status. Standardized milestones and financial categories (as listed below) will be used and indicated by quarter. The project chart should not exceed one page. ('Landscape' mode is recommended, as is use of an Excel Spreadsheet to ease updating of funding figures.)

- 1) **Milestone Schedule:** As laid out by the proposal, the current milestone schedule will be presented. Shown will be the original (baseline) scheduled dates, any revision to those dates, and actual completed milestones.
- 2) **Funding Profile:** The baseline obligation plans break out expected DACP/FCT project obligations by fiscal quarter. The Project Chart must reflect 100% obligation of OSD allocation within the FY provided. For example, if \$500K was provided in FY01, we expect \$500K to be shown obligated in the FY01 plan. Actual obligations and expenditures are reported in spreadsheet format and updated for the Quarterly Progress Report.
- 3) **Financial Status:** A summary of the current DACP/FCT project financial status will include requests, commitment, obligation and expenditure data. Financial status information will be reported quarterly with the most up-to-date data available (field data must be compared to official DFAS figures).

Milestone Schedule

A milestone schedule will be presented by fiscal year and quarter in the "project activities" section of the Project Chart. Project sponsors may want to track by month and

place events accordingly, but headers will be listed by quarters on the official Project Chart. Emphasis will be on defined, measurable milestones, which represent work packages that can be monitored in terms of performance and cost. The milestones shown below are required (indicate N/A if not applicable). Add additional milestones or subtasks and participating organizations as needed to describe project, but keep the chart to a single page. A detailed spreadsheet with "roll-up" totals on the first page is acceptable.

The following symbols will be used (see example chart following).

∇	Original (baseline) scheduled milestone
Δ---∇	Original planned time span
◇	Revised scheduled milestone
σ--τ	Actual start and end dates.
◆	Actual, revised accomplished date
*	See note

Required Milestones

- **Project Approval:** The date OSD notifies the Service that a project will be funded.
- **Initial Funding Received:** The date when funding is first received by the sponsor. For new start projects, this will normally be October.
- **Contract Preparation & Award / Acquisition Agreement / MOU (indicate which):** The date(s) for preparation and formal agreement between the U.S. and the manufacturer / vendor / representative of the item to be evaluated. Milestone may be contract award, loan agreement signing, or similar legal instrument.
- **Test Item Received:** The date when the item will be available for test and evaluation. Indicate on the schedule if multiple items will be received at different times.
- **Test Plan:** The defined period from beginning of the development of the test plan through the date that the approved test plan will be forwarded to OSD. Specify the type of test plan such as "Evaluation Plan," "Test Design Plan," "Detailed Test Plan," "Summary Test Plan," or similar plan.
- **Test(s):** The defined test periods (start - end dates) the item is under testing. The test period should not include slack time such as waiting for a test range, but should include any data analysis time until results are available. Some potential sub-milestones may be: test period(s), test report, safety release operational testing, or testing at multiple sites. If testing consists of multiple phases with decision points between the phases, this should be clearly shown. Testing should address Pass/Fail Criteria as early as possible and should incorporate decision points for project continuation.
- **Evaluation Report(s):** Indicate a milestone when the evaluation results will be available. Note this is not the test report, but the evaluators' position as to whether the item did or did not meet requirements.
- **Decision:** All projects should be concluded with some decision; include a milestone date when that decision will be made. In most instances, this will conclude the DACP/FCT project.
- **Closeout Report:** The date in which the formal technical closeout (or disposition) report will be forwarded to DOD. (See Appendix for format.)

- Test Report: Final test report date.

Optional Sample Milestones

Additional milestones may be added, but keep chart to one page. Examples of other potentially important milestones are:

- FedBizOpps Announcement
- Solicitation Release
- Requirement Approved
- Screening Test - decision point
- Early User Test - decision point
- Test Report Distribution
- Type Classification -Limited Production or Generic
- Procurement Contract Award

Funding Profile

The "Cost Element/Funding Plan" section of the project chart is the obligation plan. Funds execution figures are rolled up in the "funding summary" section of the project chart and tracked against the plan. Funding will be totaled both 'across' and 'down' by fiscal quarter and year. The planned funding should correlate with the planned schedule; that is, cost elements listed correlate to the planned activity shown under project activities. List the organizations receiving the funding. Clearly identify whether the organization is U.S. or foreign government/contractor. List figures to the nearest thousand dollars. List only those items or categories that will be funded by DACP or FCT funding; Service contributions are shown on a separate line. The funding plan must match actual OSD allocations and must reflect 100% obligation of OSD distributions within the FY provided.

Include the following top-level financial categories shown below, even if zero:

- Test Item Acquisition: Include when funded by DACP/FCT Program
- Test Item Integration: Include the cost of modifying test item before test & evaluation.
- Targets, Ammunition or other GFE: List cost of U. S. government assets to be consumed or used in testing.
- Technical or Management Support: Activities include contract preparation, contract support services, test & evaluation support, and program decision package development. List sub-tasks. Do not include travel (TDY) costs on this line.
- Testing: May include all T&E efforts accomplished by testing activities, such as test planning and writing, all test conduct by location and organization, data analysis, and test reporting.
- Evaluation: When accomplished by a separate evaluation activity (not the testing agency), this may include a technical or operational evaluation and will be concluded with an evaluation report. Do not include travel.
- Travel: TDY costs are not to be included in the above lines, but will be listed separately if funded by DACP or FCT Program. List domestic and foreign travel separately. Some sponsoring activities fund all or part of their travel expenses.
- Totals by Quarter: List overall funding requirements by quarter, summing up the individual quarterly requirements.

A detailed cost projection may be attached, but the "roll-up" funding profile should fit on the single-page project chart.

Optional Funding Profile Categories

Hardware Acquisition: Indicate Purchase, Lease, or Loan

Contractor Support: Services other than item acquisition; All Science, Engineering and Technical Assistance and Contract Administrative Support Services contract support costs will be listed separately.

Contractor Training: Equipment training of government personnel in use of item for T&E purposes.

Logistics Support: Such as a spare parts package or maintenance needed during T&E.

Shipping: If not included in hardware price

Updates

The project chart should always show the actual milestones and obligations for all past quarters. If an expected obligation does not occur, the project manager should show that and move the obligation to the new expected quarter in the funding summary section of the chart. The project chart should report incremental amounts for the actions in a given quarter; the past remains constant once the quarter is closed out.

Defense Acquisition Challenge Program - Project Chart																		
Project Title: Ballistic Armor Performance and Comparison Test					Sponsor: US Army PM Comanche					Data as of: 11 March 2002								
Project Activities	Performing Org	FY 2003				FY 2004				FY 2005				FY 2006				Symbol
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	Key
Project Approval	OSD				*													Scheduled
Initial Funding Received	AMXIP				*													Δ Start
Contract Prep & Award	PM Comanche/SA			Δ	∇													∇ Completion
Test Item Received	ARMY(ARL)						Δ											◇ Change
Test Plan	ARMY(RDEC)						Δ	∇										
Technical Test	ARMY(ARL)							Δ	∇									
Operational Test	ARMY(ATEC)																	Actual
Evaluation Report	ARMY(ATEC)																	* Started
IPR Decision	PM Comanche/SA																	◆ Completed
Close Out Report	PM Comanche/SA								Δ									◆ Changed
Tech Data Package	Boeing / Sikorsky					Δ			∇									
Production Buys	Boeing / Sikorsky							Δ				∇						
Cost Elements / Funding Plan (\$K)																		Totals
Test Item Acquisition	Vendor				200													200
Test Item Integration	na		0															0
Targets/GFE	na																	0
Technical Support	ARL						50											50
Test Support																		0
Testing																		0
Technical																		0
Operational																		0
Evaluation																		0
Travel																		0
Totals by Quarter		0	0	0	200	0	50	0	0	0	0	0	0	0	0	0	0	250
	Funding Summary	FY 2003				FY 2004				FY 2005				FY 2006				Totals
	Funds Requested	200				50				0				0				250
	Funds Provided	0				0				0				0				0
	Service Funds	0				50				0				0				50
	Committed																	0
	Obligated																	0
	Expended																	0
	Committed																	0
	Obligated																	0
	Expended																	0
	Committed																	0
	Obligated																	0
	Expended																	0

PROJECT MANAGER SIGNATURE: _____ DATE: _____

APPENDIX AP7
CLOSE OUT REPORT FORMAT AND EXAMPLE

CTO CLOSE-OUT REPORT FORMAT

1. **References.** <Reference item requirement, other significant correspondence, and previously supplied test and evaluation reports.>
2. **Introduction and Background.** The purpose of this memorandum is to provide to the final closeout report on the <DACP/FCT Project Title> to the Comparative Testing Office. The project manager for this evaluation was _____.
3. **Requirement.** <Review requirement for the item, state why evaluation was undertaken. State goal of the DACP/FCT.>
4. **Candidates:** <List names, origin country or state, and contractors of items evaluated.>
5. **Testing.**
 - A. Project was approved and first funded on <date>. Summarize DACP/FCT funding by FY applied to project. Status of the funds are: ____% Obligated/____% Expended (by Fiscal Year). (If either less than 100%, explain and give course of action to achieve 100%).
 - B. A contract was awarded to _____ located in _____ for _____ test items worth approximately \$_____. Contract number was _____ and dated _____. Test items were received _____ and testing was begun _____ at _____.
 - C. Briefly review testing performed.
 - D. Testing completed on _____ and the test report (attachment X) was distributed on _____.
6. **Results.** <Review test results against the requirement and Pass/Fail Criteria. Summarize the events of the DACP/FCT. Serve as the permanent final record of the project. Report normally should not exceed four pages and should be written as an executive overview.>
7. **Disposition.** <Was the test successful? Did the sponsor decide to implement or procure the technology or item(s)? Give disposition of test articles after completion.>

A contract was awarded to _____ located in _____ to implement or procure _____ worth approximately \$_____. Contract number was _____ and dated _____. Are follow-on procurements anticipated?
8. **Follow-on Actions:** <Identify implementations or procurements to date resulting from this DACP/FCT by numbers of items and total value. Include contract number to aid OSD in tracking additional implementations or procurements through options. Estimate R&D savings and/or time savings that resulted from this project.>
9. **POC:** For follow-up information on this project.

CLOSE OUT REPORT EXAMPLE

CTO CLOSE-OUT REPORT Less Than 3kW Generator

1. References. ORD 160-135 dated 14 July 1994; FCT proposal; Quarterly Project Reports.
2. Introduction and Background. The purpose of this memorandum is to provide the Comparative Testing Office with the final closeout report on the Less than 3kW Generator Set FCT Project. The project manager for this evaluation was COL Becker.
3. Requirement. The requirement for a Less Than 3kW generator set is captured in ORD 160-135 dated 14 July 1994. The declared obsolescence of existing gasoline-powered 1.5kW generator sets and the absence of gasoline on the battlefield after 1999 combined to create a requirement for a Less Than 3kW generator set that was portable, multi-fueled, and capable of meeting specified power generation requirements. The goal of this FCT was to test and evaluate a non-developmental foreign item that appeared to have the potential to meet the requirements.
4. Candidates: 2kW Generator Set, Canada, Mechtron Energy, Ltd.
2.5kW Generator Set, U.S., Company A
5. Testing:
 - a. Project was approved and first funded on 1 Oct 1995. The project received \$160K in FY 95 and \$100K in FY 96. We are 100% obligated and expended for both Fiscal Years.
 - b. Contract F08635-97-D-0016 was awarded to Mechtron Energy Systems, Ltd. and Company A for 12 test items at approximately \$5K each. Test items were received in April 96 and testing was begun Apr 96 at Aberdeen Proving Ground.
 - c. Both operational and technical testing were performed. Operational tests were conducted in the field environment at both Ft. Bragg and Ft. Drum. The USMC also conducted Service-unique operational tests at Camp Lejuene and at 29 Palms Marine Corps Base. Technical testing was conducted by TEXCOM at Aberdeen Proving Ground.
 - d. Testing was completed July 96 and the test report was distributed on 1 October 97.
6. Results. All testing supported the manufacturer's data and performance claims. The test results demonstrated that the Mechtron 2kW Generator Set met the U.S. Army performance requirements as specified within the ORD and provided best value over Company A's generator.
7. Disposition. Mechtron test items were retained by the U.S. Army and put into service at Aberdeen Proving Ground in the Ordnance School.

8. Follow-on Actions: The first option to the Mechtron contract (contract #provide number) was exercised for XXX 2kW Military Tactical Generator Sets . First deliveries took place in September. Fielding of these generator sets to Force Package 1 units at Ft. Bragg and Ft. Hood should occur in 2QFY97. The second option will be exercised next year to meet Air Force immediate requirements. The follow-on options provide the potential for XXXX sets to be produced for the Air Force, Marine Corps and the rest of the Army. This FCT has saved an estimated \$XXM in RDT&E and 2 years in fielding time. There is a production savings of \$3K per unit procured.
9. POC(s) for follow-up information on this project: Mr. XXXXXXXX

APPENDIX AP8
KAMINSKI MEMO



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



MAR 18 1996

MEMORANDUM FOR ACQUISITION EXECUTIVES OF THE MILITARY DEPARTMENTS
AND USSOCOM

SUBJECT: Foreign Comparative Test Program

Department of Defense (DoD) acquisition practices should encourage competition from U.S. and foreign sources. Defense articles which have completed development require testing prior to acquisition. The Foreign Comparative Testing (FCT) Program provides a process for testing defense articles of foreign countries alongside those of U.S. companies.

When a reasonable expectation of funding for production exists, FCT projects should be undertaken in accordance with the following guidelines:

- The intention to initiate a FCT project followed by procurement should be publicized in the Commerce Business Daily, and full and open competition invited. In addition to outlining the FCT project, the announcement should state whether procurement of the successful candidate article is planned, and in what quantities, and in what time periods procurement is anticipated.
- Sources responding to the announcement should be provided a solicitation that calls for proposals to include the prices for the articles to be tested, and priced options for production quantities.
- Procuring activities may, without further competition and on the basis of the solicitation and the offeror's proposal, contract for production of the successful test article.

Paul Kaminski

Paul G. Kaminski



APPENDIX AP9
QUAD CHART TEMPLATE AND EXAMPLE

QUAD CHART TEMPLATE

<p><DOD Logo></p>	<p><Service Logo></p>	<p><Title></p> <p><FCT or DACP></p>																									
<p><Pictures or Diagrams with Vendor and Country on each picture></p>	<p style="text-align: center;"><u>Technology</u></p> <ul style="list-style-type: none"> <Description of technology and capabilities (taken from 3-liner)> <p style="text-align: center;"><u>Objectives</u></p> <ul style="list-style-type: none"> <Objectives for conducting the FCT or DACP> <Successful outcome of FCT or DACP> 																										
<p style="text-align: center;"><u>Participants</u></p> <ul style="list-style-type: none"> <Sponsoring Service> <Sponsoring Program Office> <Company, Country/State> <p style="text-align: center;"><u>Schedule</u></p> <table style="width: 100%;"> <tr> <td style="width: 50%;"><Milestone Tech/Safety></td> <td style="width: 50%;"><Q/FY></td> </tr> <tr> <td><Milestone OT></td> <td><Q/FY></td> </tr> <tr> <td><Milestone C></td> <td><Q/FY></td> </tr> </table> <p style="text-align: center;"><u>Status*</u></p>	<Milestone Tech/Safety>	<Q/FY>	<Milestone OT>	<Q/FY>	<Milestone C>	<Q/FY>	<p style="text-align: center;"><u>Funding</u></p> <table style="width: 100%;"> <tr> <td style="width: 25%;"><u>Funding (\$K):</u></td> <td style="width: 12.5%;"><u><FY></u></td> <td style="width: 12.5%;"><u><FY></u></td> <td style="width: 12.5%;"><u>Total</u></td> </tr> <tr> <td>CTO:</td> <td><\$></td> <td><\$></td> <td><\$></td> </tr> <tr> <td>Sponsor</td> <td><\$></td> <td><\$></td> <td><\$></td> </tr> </table> <p style="text-align: center;"><u>Benefits</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>RDT&E Cost Savings:</td></tr> <tr><td>O&S Cost Savings:</td></tr> <tr><td>Procurement Cost Savings:</td></tr> <tr><td>Fielding Reduction:</td></tr> <tr><td>Procurement Potential: <Quantity and Total \$></td></tr> <tr><td>Implementation Plan/Other Benefits: <Describe></td></tr> </table>	<u>Funding (\$K):</u>	<u><FY></u>	<u><FY></u>	<u>Total</u>	CTO:	<\$>	<\$>	<\$>	Sponsor	<\$>	<\$>	<\$>	RDT&E Cost Savings:	O&S Cost Savings:	Procurement Cost Savings:	Fielding Reduction:	Procurement Potential: <Quantity and Total \$>	Implementation Plan/Other Benefits: <Describe>		
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		POC: <Service CTO Name/phone #> PM: <Name/phone #>																									

*After a "proposal" has been selected for funding and converted to a "project," the lower left quadrant will give a Status of the ongoing project and omit the Schedule. Participants may also be moved from the lower left quadrant to the upper left quadrant if additional space is needed.

QUAD CHART EXAMPLES

BFV Roadwheels FCT Proposal

Technology

Army's # 1 priority. (If "Joint", also say so here.) Evaluate improved synthetic coating for combat vehicle roadwheels that has significantly improved wear life over the current rubber coating.

Objectives

Greatly increase mobility and reduce the logistics footprint on the battlefield.

Participants

Sponsor: U.S. Army PM-BFV, Warren, MI
Vendor: Allthane Technologies Int'l, South Africa
Vendor: Elastochem, Canada
Vendor: Winfield Industries, USA

Schedule

Ph I: Endurance testing at YPG 1QFY01
Ph II: Cold weather testing at CRTC 1QFY02




Funding

<u>Funding (\$K):</u>	<u>FY01</u>	<u>FY02</u>	<u>Total</u>
CTO:	\$0.532M	\$1.173M	\$1.705M
Sponsor	\$0.999M	\$0.555M	\$1.554M

Benefits

RDT&E Cost Savings: \$14B
O&S Cost Savings: \$46B
Procurement Cost Savings: \$69B
Fielding Reduction: 4.5 yrs
Procurement Potential: 600 roadwheels at \$14M
Implementation Plan/Other Benefits: Procure from FY03-05

POC: Al Trawinski, 703-806-0999
PM: Tanya Litvinas, 703-806-0998

	<h2 style="text-align: center;">BFV Roadwheels FCT Project</h2> <div style="display: flex; justify-content: space-between;">   </div>														
<p><u>Participants</u> Sponsor: U.S. Army PM-BFV, Warren, MI Vendor: Allthane Technologies Int'l, South Africa Vendor: Elastochem, Canada</p>		<p><u>Technology</u> Army's # 1 priority. (If "Joint", also say so here.) Evaluate improved synthetic coating for combat vehicle roadwheels that has significantly improved wear life over the current rubber coating.</p> <p><u>Objectives</u> Greatly increase mobility and reduce the logistics footprint on the battlefield.</p>													
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